

**MISSOURI
DEPARTMENT OF REVENUE**



**FISCAL YEAR 2027
PROGRAMS BOOK**

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Missouri Department of Revenue Overview

The Department of Revenue (Department) was established in 1945 by the Missouri Constitution to serve as the central collection agency for all state revenue. The primary duties of the Department are to collect taxes, title and register motor vehicles, and license drivers. The Department consists of the following divisions:

The ***Taxation Division*** administers Missouri's tax laws. It processes and administers forms and reports for the collection of revenue due the state and local taxing jurisdictions. This division has seven bureaus: Business Tax, Income Tax, Collections and Taxpayer Assistance, Processing, Field Compliance, Electronic Services, and Compliance Tax Investigation.

The ***Motor Vehicle and Driver Licensing Division*** administers Missouri's laws that relate to titling and registration of motor vehicles, trailers, all-terrain vehicles, manufactured homes, and marine craft; licenses drivers and dealers; and oversees 174 contracted license offices. This division consists of four bureaus: Motor Vehicle, Driver License, License Offices, and Compliance and Investigation.

The ***General Counsel's Office*** ensures the Department's compliance with law and internal policies, advises the director and divisions on legal matters relative to the Department, and represents the Department in courts and administrative tribunals.

The ***Administration Division*** provides administrative support to all other areas of the Department. This division includes four bureaus: Financial Services, General Services, Human Resources, and Internal Audit and Compliance.

The Director's Office is also part of the Administration Division. The Director's Office includes the director, deputy director, key administrative staff, the Communications Office, and the Legislative Office.

The Department is committed to delivering focused and efficient results to Missouri citizens and businesses. The Department's "placemat" highlights the themes and initiatives the Department is pursuing to achieve its vision to establish an environment that fosters confidence and trust by successfully utilizing technology, employing resources, and meeting customer needs.



Department Aspiration: To establish an environment that fosters confidence and trust by successfully utilizing technology, employing resources, and meeting customer needs.

Highlights From FY25

- **REAL ID** – The federal REAL ID enforcement went into effect on May 7, 2025. The Department continually provided information to the public as part of our ongoing communication efforts to increase compliance. At the end of FY25, Missouri had a total of 2,249,750 REAL ID complaint credential holders with an overall REAL ID enrollment rate of 49 percent. The Director participated in numerous media interviews providing the requirements to the public to increase participation.
- **License Office Contract Renewal Process** – Developed a streamlined and systematic approach to track and report on license office contract renewals. The Department has 174 contract license offices. Historically, delays and bottlenecks in the procurement process lead to license offices operating on extensions. At the end of FY25, there were 31 of contracts on extension.
- **Out-of-State Leasing Evaluation** – Tax audits have changed over the years from visiting businesses and viewing records at the business location to now receiving accounting records electronically. With technology advancements, the Department evaluated the need for a physical out-of-state location and determined shifting the filled FTE positions to home based and closing the three physical offices would save the state in lease rentals and salary differentials. The physical offices in Dallas, Chicago and New York have all been closed.
- **Mobile Unit** – The Department received funding in the FY25 budget to establish a mobile unit that would assist in serving Missouri citizens with their vehicle titling, registration or driver license needs when a local license office was closed for an extended period of time or if additional services were needed due to unforeseen circumstances. In June, the mobile unit was dispatched to St. Louis for three weeks and provided service to 327 citizens effected by the tornado.
- **Integrated Motor Vehicle and Driver Licensing System** – The Department continues to work towards full implementation of the new integrated system referred to as FUSION. The driver license services and license office management applications of the integrated system went live on November 12, 2024. Phase II will include title and registration with the additional component of dealers collecting the sales tax at time of sale coupled with centralized distribution of license plates and electronic title lien releases.



Missouri Department of Revenue Strategic Overview

- **DORA AI-Powered Features to Chatbot** – In 2019, the Department launched a virtual assistant platform, DORA, that provided visitors with 24/7 assistance via our website. The chatbot was designed to respond to common questions relating to taxation, motor vehicles, and driver licensing. DORA has responded to over 11 million inquiries since its launch. In June, an updated version of the virtual assistant was released which used AI generative enhancements to better respond to customer inquiries. DORA now uses content from the Department’s website to provide smarter interactions with accurate, relevant responses improving the customer’s experience.

FY26 Priorities

- **Integrated Motor Vehicle and Driver License System** – The Department will focus on documenting the integrated system needs for processing motor vehicle titles and registrations, trailer and marine processing, electronic lien releases and dealer licensing. The vehicle services and business licensing applications in the integrated system are scheduled to go live in late 2026 or early 2027. Outreach will be made to the banking industries, county officials and dealerships to ensure a successful rollout of this next phase. The Department will continue making needed improvements in the driver license services and license office management applications in the integrated system to increase efficiencies and to meet additional needs of the agency to assist our citizens.
- **Uninsured Motorist** – SB 398 directs the Department to create an online system for verifying compliance with Missouri’s Mandatory Financial Responsibility Law. This law includes the diversion process. In late FY25, a contract was awarded to a vendor to provide a vehicle insurance verification including diversion solution to address the roughly 16.8 percent uninsured motorist who operate motor vehicles on Missouri roadways. In November 2024, the Department implemented Phase I of its modernized driver and vehicle licensing system, with a real-time insurance verification component for all Missouri registered vehicles will be accessible by the Department, financial institutions, courts, and state and local law enforcement. Phase II, which includes a pre-trial diversion program for uninsured motorists, is expected to roll out in late 2026 or early 2027.
- **Improve External Partnerships** –
 - **Tax Practitioner Forum** – This virtual event is scheduled for September 2025, during which the Department will provide an update on the past income tax season, an overview of 2025 legislation, and federal changes from the One Big Beautiful Bill.
 - **Annual License Office Meeting** – On going meetings will be held to improve communications between the Department and the contracted license offices.



Missouri Department of Revenue Strategic Overview

- **Utilize AI to Review Department Issued Notices** – Complete a review of current notices and use an approved AI tool to revise language and format to promote compliance.
- **License Office Contract Renewal Process** – Currently, the Department has an agreement with the Office of Administration Division of Purchasing (OA) to allow the Department to facilitate contracts for all license office bids. In July 2025, we received approval from OA to handle the need for any extension of a license office contract as well. We will continue to work through bidding any new license office contracts as current contracts expire and will limit utilizing the extension process.

FY27 Preview

- **Integrated Motor Vehicle and Driver License System** – Phase II of the integrated system will go live which will encompass processing motor vehicle titles and registrations, trailer and marine processing, electronic lien releases, dealers collecting sales tax and dealer licensing. The Department will ensure education is provided to dealers, financial institutions, county governments and state and local law enforcement prior to the plan go live in late 2026 or early 2027.
- **Expand the Uninsured Motorist Program** – With the Phase II roll out of the Integrated Motor Vehicle and Driver License System we will expand the Uninsured Motorist Program to include diversion. This will include notification to uninsured drivers, suspension of driver license, diversion enrollment, hearings, fee collection, monitoring and customer support. This diversion solution will be administered by a contracted vendor and will make Missouri roadways safer.
- **Investigate Methods AI Can Transform the Workforce** – Explore the use of AI to enhance and transform the workforce by looking for common workstreams or customer contacts that could be replaced by virtual assistants.

VISION	To establish an environment that fosters confidence and trust by successfully utilizing technology, employing resources, and meeting customer needs.				
THEMES	Embed Transformational Purpose Encourage employees to take personal ownership of our vision and understand how they support its delivery.  Integrity	Focus on Customer Service With every action, demonstrate our passion for serving Missouri's citizens, businesses, and communities.  Service	Organizational Culture Foster a positive, engaging work environment for all employees while ensuring those who deliver at the highest levels and uphold our values are recognized for their efforts.  Respect	Partnerships Establish partnerships with public and private entities to provide expanded services and resources to Missouri's citizens, businesses, and communities.  Collaboration	IT Roadmap Develop an IT strategy that facilitates continued modernization and improves the overall customer experience.  Innovation
INITIATIVES	Onboarding Develop an onboarding program for new employees and new supervisors that will promote growth and retention with the Department.	Returned Refund Checks Determine main reasons refund checks mailed by the Taxation Division are returned for incorrect address and develop outreach efforts to educate and notify customers of returned refund checks. DORA ChatBot Review Review Chatbot DORA Gen AI enhancement outcomes and make necessary improvements to customer responses or webpage content.	Professional Development Enhance and modernize the Department's professional development classes and training to foster growth and provide tools necessary for servant leadership. Legal Trainings Develop legal training classes for employees and supervisors to promote compliance with statutory obligations. File Sharing Establish and maintain a comprehensive inventory of system interfaces with vendors and state agencies, identifying responsible parties, key technical details, and ensuring thorough documentation to support long-term business continuity.	Dealers Coordinate and partner with the Missouri Automobile Dealers Association (MADA) to provide quarterly trainings for best practices and collection of administrative fees. Commercial Driver License Third-Party Tester Program Coordinate and partner with the Missouri State Highway Patrol (MSHP) for training and oversight of any additional Third-Party Testers (TPT) including approval and reviewing of applications, monthly reports, test document submissions, and compliance audits.	Business Tax Employer W-2/W-3 Submission Enhance the online electronic process for Business Tax customers to upload their W-2's and W-3's in the MyTax Missouri Portal Guest Services. Utilize AI to Review Billing Notices Select and implement a generative AI tool to assist the Department with review of all current notices to revise language and format to promote compliance. IT Strategic Plan Develop a strategic plan for DOR applications maintained by ITSD-DOR to ensure that applications remain up to date, optimizing performance, security, and data integrity through proactive planning, regular maintenance procedures, and schedules.



MEASURES

By June 30, 2026, offer a thorough and informative onboarding program for new employees and new supervisors.

By June 30, 2026, sample 8 months of returned refund checks to determine return trends in order to establish corrective measures and provide customers education on return refund checks.

By June 30, 2026, increase Chatbot DORA's accuracy rate from 85% to 90% overall accuracy rate.

By June 30, 2026, establish and promote the new professional development curriculum and establish training expectations for new employees and new supervisors. Additionally, establish a plan for regular updates to professional development opportunities available to employees.

By June 30, 2026, develop and implement legal training classes on confidentiality, sunshine law, discipline, and issues surrounding pregnant mothers and parental leave for employees and supervisors.

By June 30, 2026, compile a comprehensive list of all system interfaces with vendors and state agencies, including responsible personnel, technical details, and essential information, and place it in an accessible location for agency employees.

By June 30, 2026, the CIB agents and the Dealer Services Group will provide quarterly trainings and evaluate the amount of dealership involvement and feedback provided by Missouri licensed dealers.

By June 30, 2026, the Department will coordinate and partner with the Missouri State Highway Patrol for training and oversight of any additional Third-Party Testers (TPT) including approval and reviewing of applications, monthly reports, test document submissions, and compliance audits.

By February 28, 2026, implement the MyTax Missouri Portal Bulk Upload of W-2/W-3 documents and utilize the documents for validation of income tax returns.

By June 30th, 2026, the Department will select and implement a generative AI tool to assist users in writing and evaluating notices for clarity of language and compliance.

By January 31, 2026, ITSD-DOR and Department leadership will develop and agree on a strategic plan to adhere to a predefined maintenance schedule, ensuring the quality of our applications.

State Auditor's Reports, Oversight Evaluations, and Federal Audits/Reviews

Program or Division Name	Type of Report	Date Issued	Website Link
Gaming Proceeds for Education Fund	State Auditor Report	4/9/2025	https://auditor.mo.gov/AuditReport/Menu
Department of Revenue – Sales, Use, and Marijuana Taxes	State Auditor Report	3/18/2025	https://auditor.mo.gov/AuditReport/Menu
Property Tax Credit	State Auditor Report	11/13/2024	https://auditor.mo.gov/AuditReport/Menu
DOR Statewide Audits Summary Letter	State Auditor Report	9/30/2024	https://auditor.mo.gov/AuditReport/Menu
Gaming Proceeds for Education Fund	State Auditor Report	3/19/2024	https://auditor.mo.gov/AuditReport/Menu
DOR Statewide Audits Summary Letter	State Auditor Report	9/15/2023	https://auditor.mo.gov/AuditReport/Menu
Department of Revenue Sales and Use Tax	State Auditor Report	8/29/2023	https://auditor.mo.gov/AuditReport/Menu
Gaming Proceeds for Education Fund	State Auditor Report	3/27/2023	https://auditor.mo.gov/AuditReport/Menu

Missouri Sunset Act Report

Provide the following information on all programs subject to the Missouri Sunset Act.

Program	Enacting Statutes	Sunset Date	Review Status
Food Pantry Tax Credit	Section 135.647, RSMo	12/31/2026	
Peace Officer Surviving Spouse Tax Credit	Section 135.090, RSMo	12/31/2027	
Ethanol Retailers Tax Credit	Section 135.772, RSMo	12/31/2028	
Biodiesel Retailers Tax Credit	Section 135.775, RSMo	12/31/2028	
Biodiesel Producers Tax Credit	Section 135.778, RSMo	12/31/2028	
Self-Employed Tax Credit	Section 143.119, RSMo	12/31/2028	

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name: Business Tax Bureau

Program is found in the following core budget(s): Taxation

1a. What strategic priority does this program address?

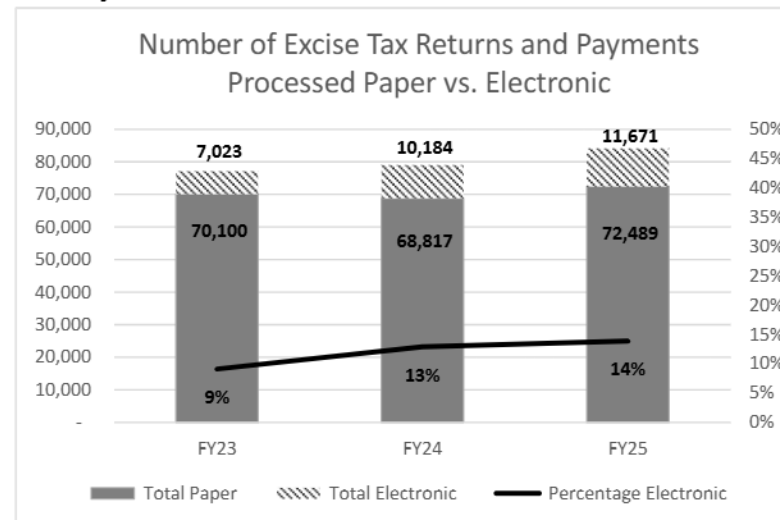
Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; Partnerships; IT Roadmap

1b. What does this program do?

The Business Tax Bureau collects excise and marijuana taxes, reviews and issues sales/use tax refunds, responds to sales/use tax and employer withholding tax correspondence, and distributes locally imposed sales/use taxes to local jurisdictions.

2a. Provide an activity measure(s) for the program.

i. Excise Tax - Volume of Returns and Payments



Excise Tax processes returns and payments for the following tax types: motor fuel, cigarette and other tobacco products, and financial institutions. The section also processes all county fee payments. Efforts to increase electronic filing are ongoing, resulting in a one percent increase in electronic submissions in FY25 compared to FY24.

PROGRAM DESCRIPTION

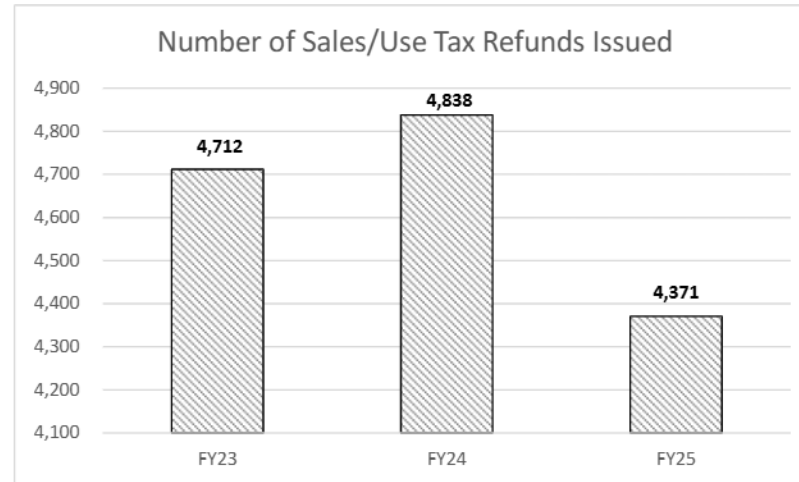
Department of Revenue

AB Section(s): 4.010

Program Name: Business Tax Bureau

Program is found in the following core budget(s): Taxation

ii. Sales/Use Tax Refunds - Volume of Refunds Issued



Unlike income tax refunds, Missouri sales/use tax overpayments require a formal refund request submitted to the Department, rather than being issued directly from a return. A refund request may consist of one or multiple filing periods. Customers may apply for a sales/use refund for filing periods with payments within ten years from due date of the original return or the date payment is made, whichever is later. Each refund request undergoes a thorough review to confirm the appropriate tax was paid on Missouri sales before a refund is issued. In FY25, we saw a 10 percent decrease in number of refunds issued.

PROGRAM DESCRIPTION

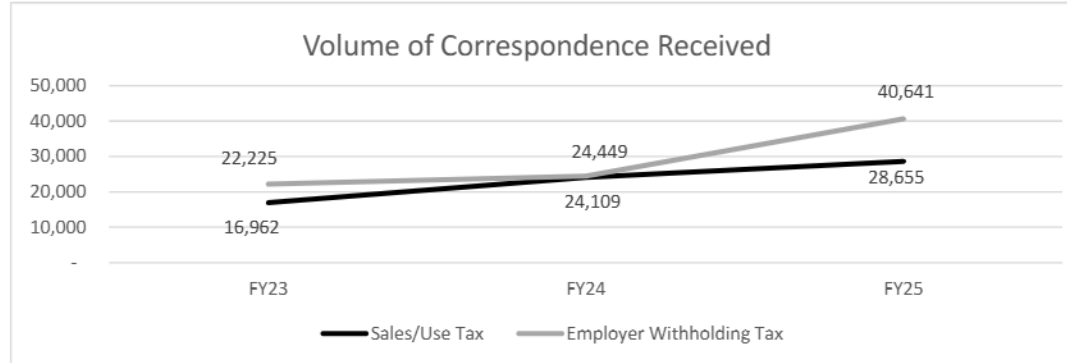
Department of Revenue

AB Section(s): 4.010

Program Name: Business Tax Bureau

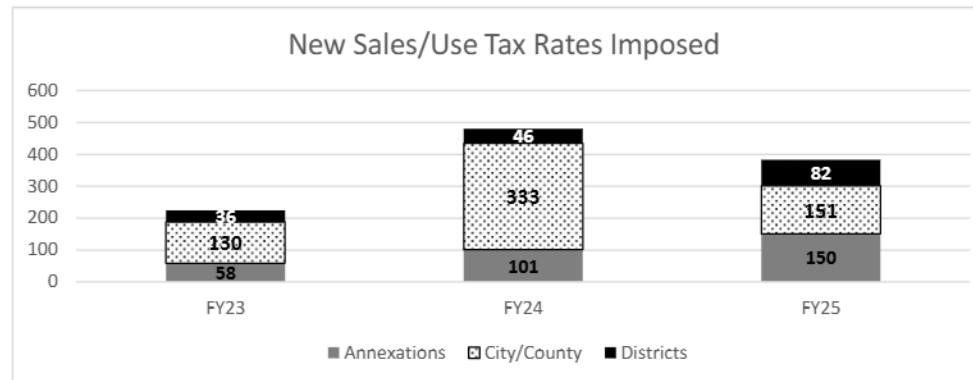
Program is found in the following core budget(s): Taxation

iii. Correspondence - Volume of Correspondence Received



In FY23, the Department stopped sending out non-filer notices and began evaluating the existing process to notify businesses that they have missed a filing obligation. This pause significantly decreased the incoming correspondence in FY23. By refining the previous non-filer process, the impact to customers and staff was limited, through the reduction of unnecessary notices. In FY24, we began sending non-filer notices again for sales tax, resulting in an increase for incoming correspondence. The increase in FY25 correspondence stems from expanded non-filer outreach to include use tax and withholding tax, in addition to ongoing sales tax efforts.

iv. Local Tax - New Sales/Use Taxes Imposed by Cities, Counties and Districts



Missouri sales/use tax rates are subject to quarterly adjustments based on the passage of ballots measures by cities, counties, and districts. During FY24, the state experienced a substantial increase in cities and counties imposing new taxes. Article XIV of the Missouri Constitution granted cities and counties the option to impose an additional up to three percent tax on the retail sale of adult-use marijuana at dispensaries within the state. In FY24, 181 Cities and 84 counties opted to impose this tax. In FY25, 49 Cities and six counties imposed the additional tax.

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

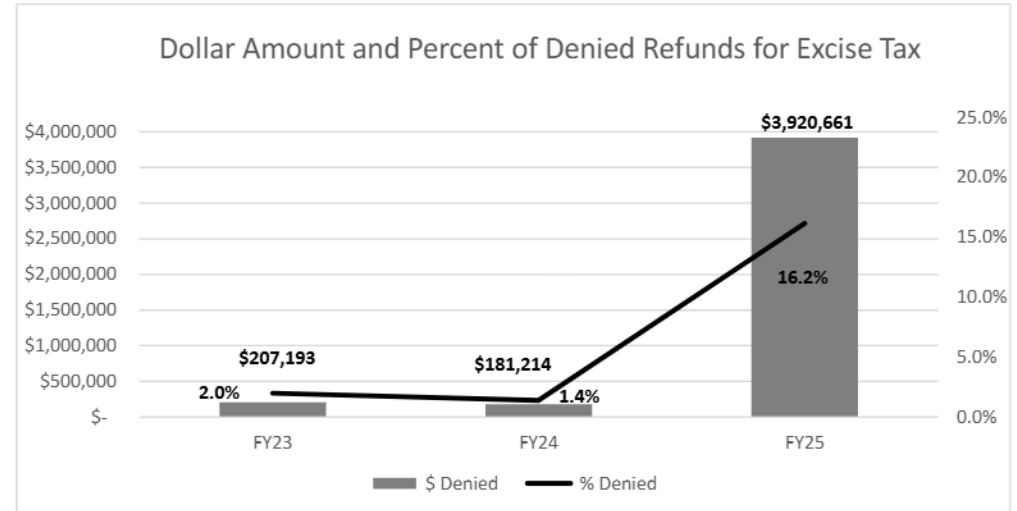
Program Name: Business Tax Bureau

Program is found in the following core budget(s): Taxation

2b. Provide a measure(s) of the program's quality.

i. Excise Tax - Denied Refund Dollar Amount

Several factors can lead to the denial of motor fuel refund requests for both highway and non-highway use in Missouri. These include outdated submissions, instances where the Missouri fuel tax wasn't initially paid, duplicate claims, vehicles exceeding the permissible weight limit, or fuel usage not qualifying for a Missouri tax exemption. The Department identified and stopped \$3.4 million in fraudulent highway fuel refund claims in FY25, leading to a notable rise in denied refunds compared to FY24.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name: Business Tax Bureau

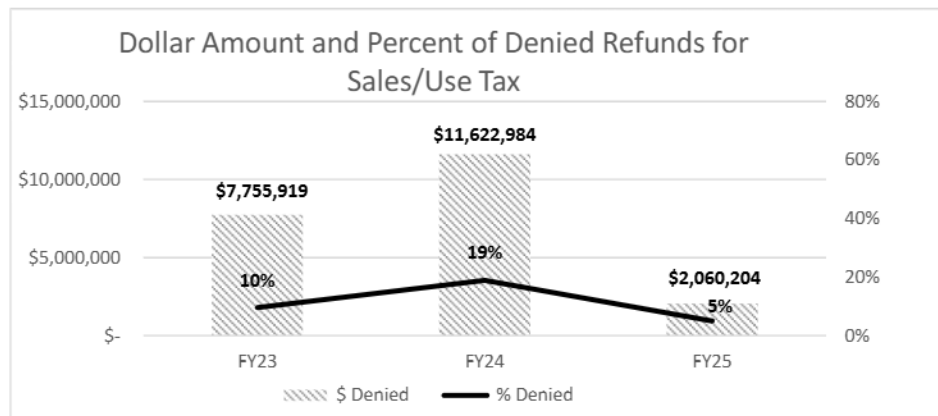
Program is found in the following core budget(s): Taxation

ii. Sales/Use Tax Refunds - Denied Refund Dollar Amount

Each Missouri sales and use tax refund request undergoes a review to confirm the proper tax amount was originally paid. If it is determined the sales were taxable or tax wasn't paid, the refund request is denied or reduced.

We are committed to providing excellent service by collaborating with customers and tax professionals to ensure all necessary information is provided with a refund claim.

The decrease in the percentage of denied refunds from FY24 compared to FY25 is due to the denial of several large refund claims in FY24 totaling \$6.2 million.



PROGRAM DESCRIPTION

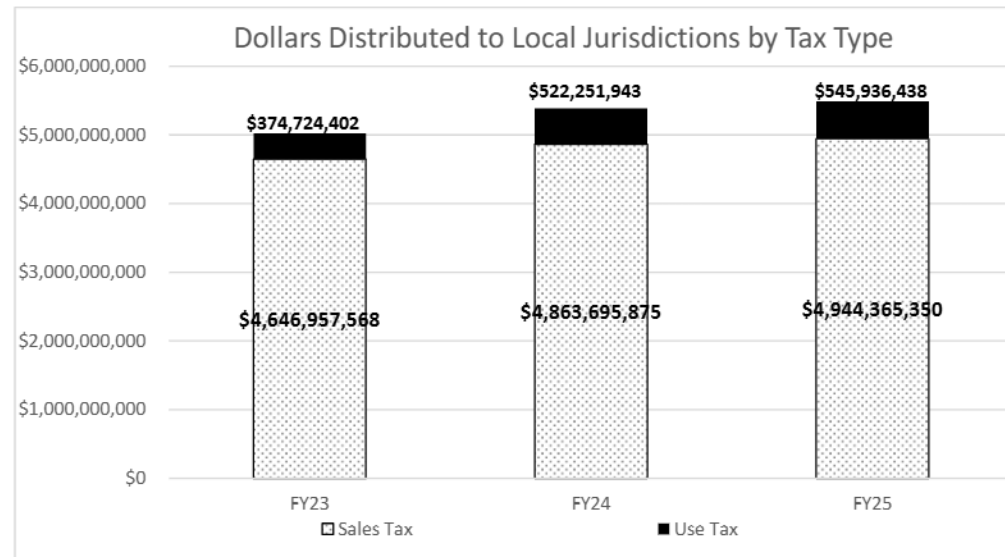
Department of Revenue

AB Section(s): 4.010

Program Name: Business Tax Bureau

Program is found in the following core budget(s): Taxation

iv. Local Tax - Dollars Distributed



The Department is responsible for collecting and distributing state and local sales and use tax collected from businesses within and outside the state. The distribution is completed by the 10th day following the month in which the sales and use tax returns are processed. FY24 marked the first full year for remote sellers and marketplace facilitators were required to collect and remit use tax. It was also the first partial year for collecting sales tax on legalized adult use recreational marijuana. FY25 was the first full year of sales for adult use recreational marijuana. Marijuana taxes and the ongoing rise in the cost of goods sold due to inflation contributed to the increased amount of sales tax distributed.

PROGRAM DESCRIPTION

Department of Revenue

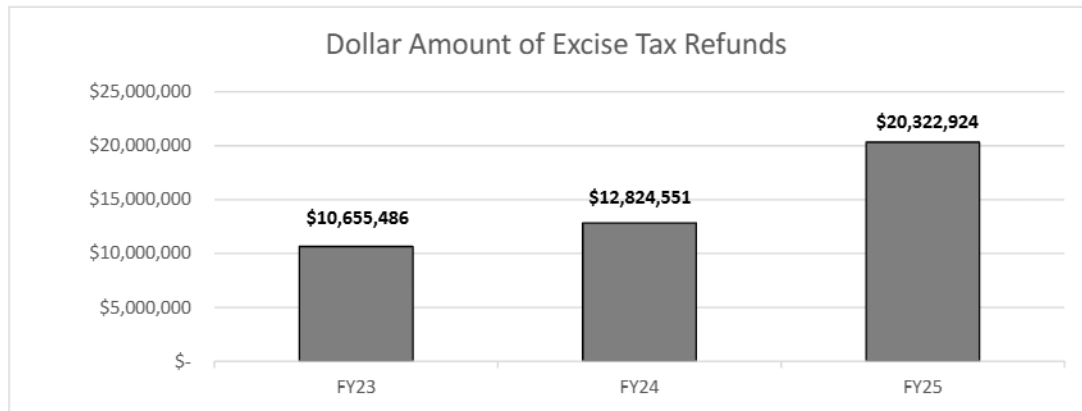
AB Section(s): 4.010

Program Name: Business Tax Bureau

Program is found in the following core budget(s): Taxation

2c. Provide a measure(s) of the program's impact.

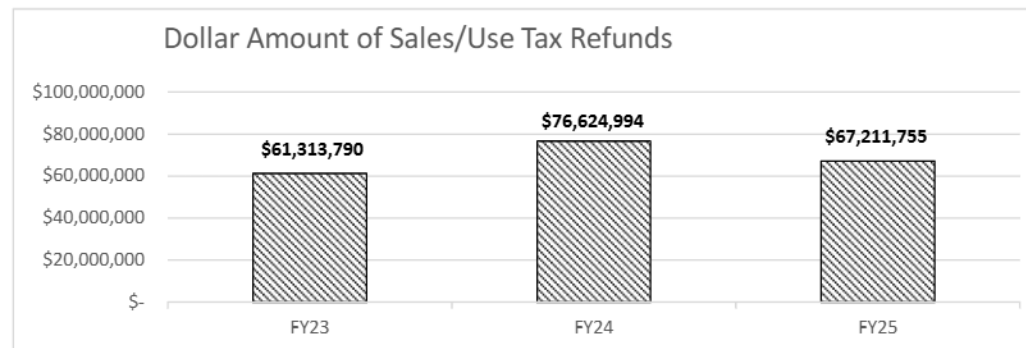
i. Excise Tax - Dollar Amount of Refunds



The FY25 increase in excise refund claims stems partially from Senate Bill 262, passed in the 2021 legislative session, which allows for a refund of the tax increase paid on motor fuel, used for highway purposes, in addition to the non-highway refunds. A significant factor in the increase of FY25's total excise refund claims is the approval of several large refund claims, which collectively reached \$4.4 million.

ii. Sales/Use Tax Refunds - Dollar Amount of Refunds

On average 4,640 sales and use refunds were processed each fiscal year for the past three fiscal years. These refunds could pertain to a single tax filing period or span up to 120 periods.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

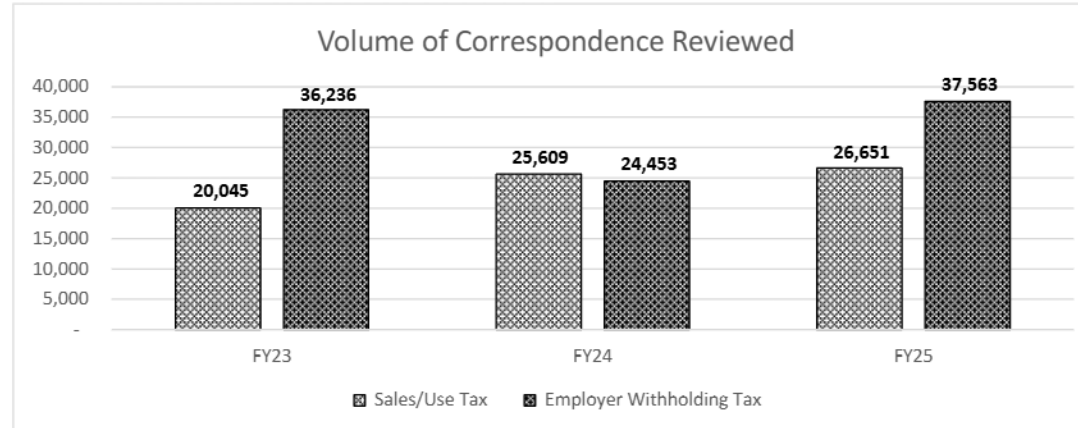
Program Name: Business Tax Bureau

Program is found in the following core budget(s): Taxation

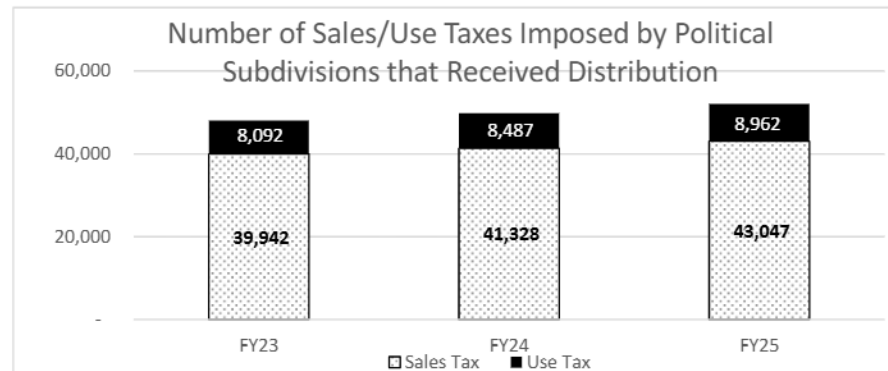
iii. Correspondence - Volume of Correspondence Reviewed

Correspondence is received through various channels, including mail, email, and the MyTax Missouri portal.

In FY25, an increase was observed in the review of employer withholding tax and use tax correspondence due to the Department resuming issuance of non-filer notices for these taxes.



iv. Local Tax - Number of Sales/Use Taxes Imposed by Political Subdivisions



In accordance with local sales/use statutes, cities, counties, and districts can impose various sales/use taxes including the additional up to three percent tax on the retail sale of adult use recreational marijuana. The Department separately distributes tax imposed/collected to the applicable political subdivisions. The number of sales and use taxes imposed by political subdivisions will vary depending on newly imposed taxes, annexations, and tax expirations.

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

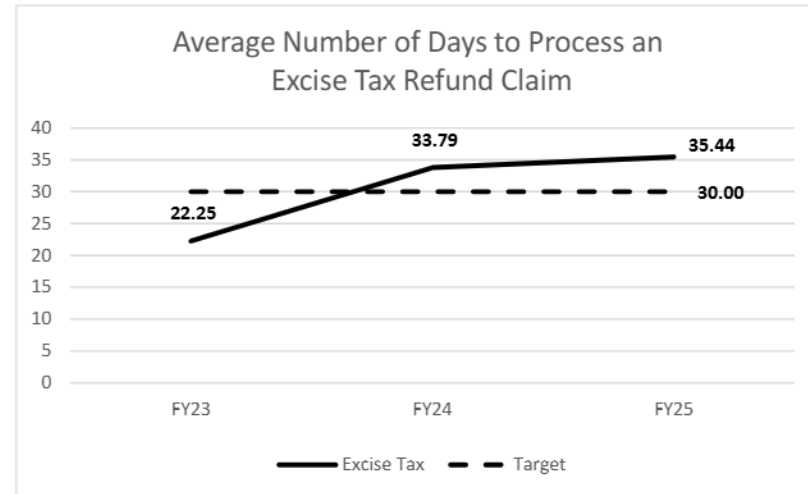
Program Name: Business Tax Bureau

Program is found in the following core budget(s): Taxation

2d. Provide a measure(s) of the program's efficiency.

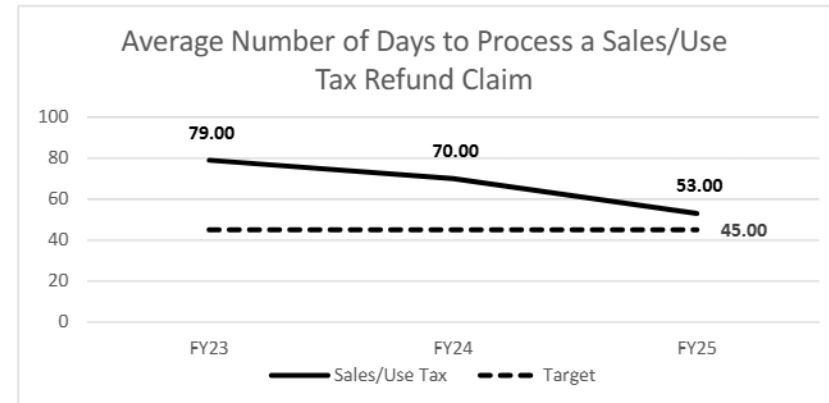
i. Excise Tax - Days to Process a Refund Claim

Processing of motor fuel consumer highway refund claims increased by 1.65 days in FY25 compared to FY24 due to enhanced refund review measures introduced to prevent fraud.



ii. Sales/Use Tax Refunds - Days to Process a Refund Claim

In FY25, the time to process a refund claim was reduced by 17 days compared to FY24.



PROGRAM DESCRIPTION

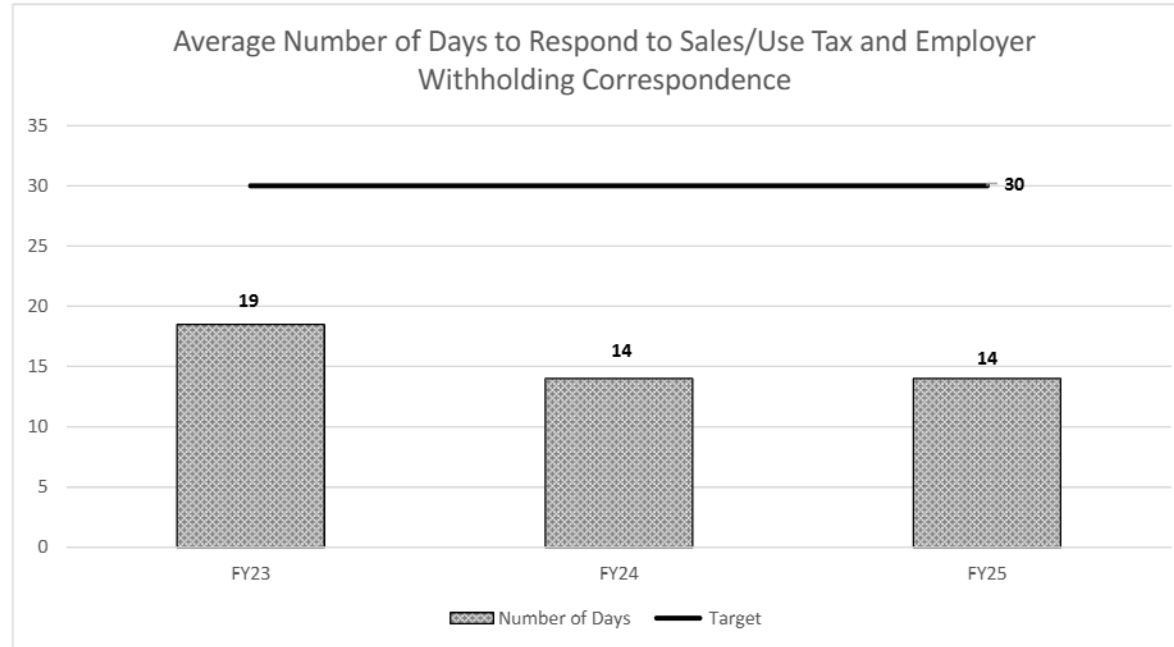
Department of Revenue

AB Section(s): 4.010

Program Name: Business Tax Bureau

Program is found in the following core budget(s): Taxation

iii. Correspondence - Turnaround Time for Sales/Use Tax and Employer Withholding Tax



In FY25, the average response time for correspondence remained at 14 days, matching the FY24 average.

PROGRAM DESCRIPTION

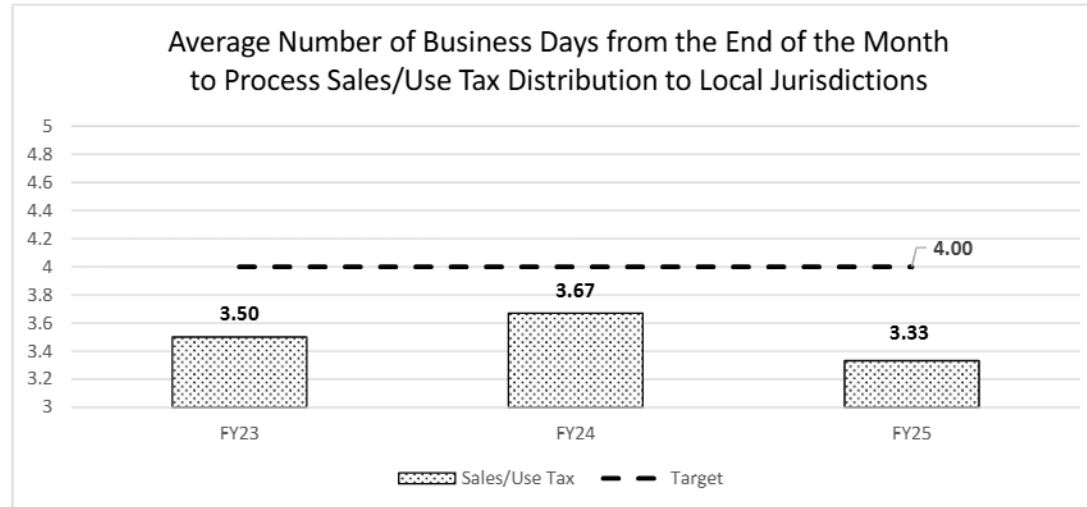
Department of Revenue

AB Section(s): 4.010

Program Name: Business Tax Bureau

Program is found in the following core budget(s): Taxation

iv. Local Tax - Sales/Use Distributions to Local Jurisdictions



By Missouri statute, local sales/use tax distribution must be completed by the 10th calendar day following the month the tax return was processed. The Department has set an internal target to process these distributions within four business days after the close of the end of the month to meet the expectations of local jurisdictions and provide them with their revenue more quickly.

PROGRAM DESCRIPTION

Department of Revenue

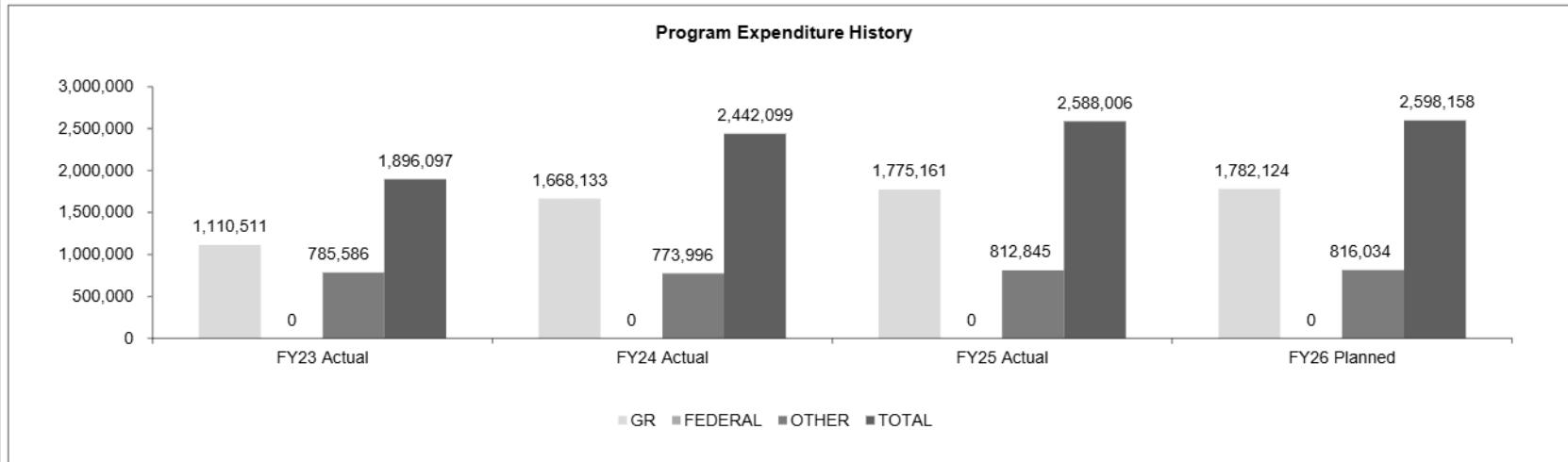
AB Section(s): 4.010

Program Name: Business Tax Bureau

Program is found in the following core budget(s): Taxation

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

(Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

Conservation Fund (0609), Health Initiatives Fund (0275), Petroleum Inspection Fund (0662), Petroleum Storage Fund (0585), Highway Collections GR/State Highways and Transportation Department Fund (0644)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri Constitution, Article IV, Sections 12, 15 and 22 and Chapters 32, 136, 142, 143, 144, and 147 RSMo

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name: Collections and Tax Assistance

Program is found in the following core budget(s): Taxation

1a. What strategic priority does this program address?

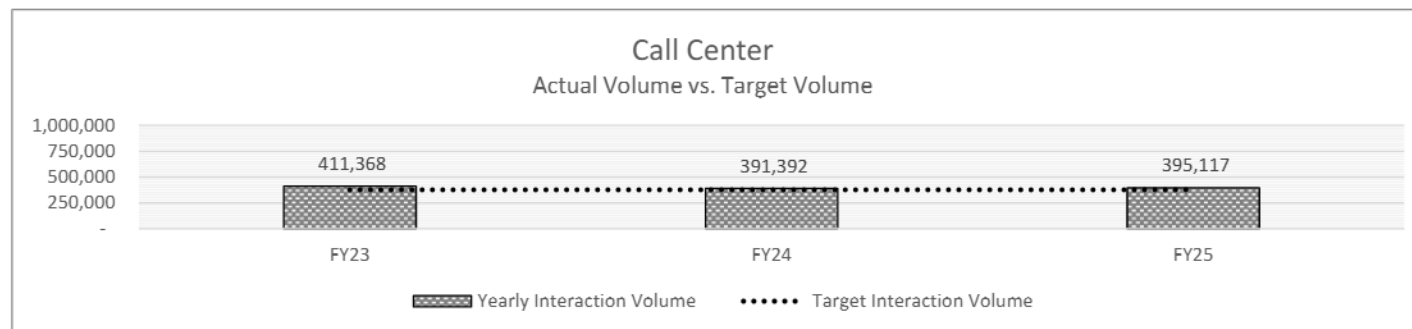
Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; Partnerships; IT Roadmap

1b. What does this program do?

The Collections and Tax Assistance Bureau is responsible for operating a contact center, collecting delinquent tax liabilities, and issuing tax clearances and no tax due statements to help customers. The bureau also performs account resolution through collection activities that include account management, lien filing, garnishments, and working with collection agencies and prosecuting attorneys to collect delinquent taxes.

2a. Provide an activity measure(s) for the program.

i. Contact Center - Incoming interaction Volume



Contact center agents are trained to directly address and correct customers account issues by phone, reducing repeat calls, and eliminating the need for internal escalation within Taxation, which shortens processing times. For the last two fiscal years, the contact center consistently achieved its target volume.

PROGRAM DESCRIPTION

Department of Revenue

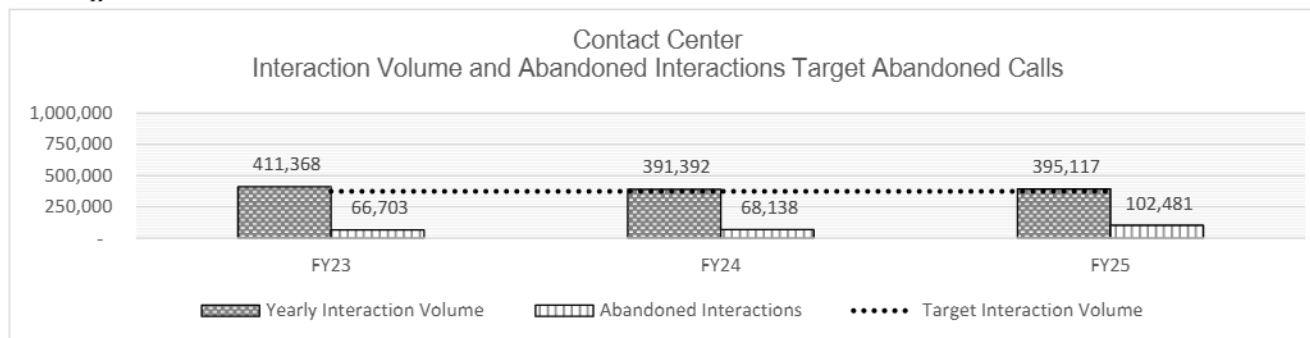
AB Section(s): 4.010

Program Name: Collections and Tax Assistance

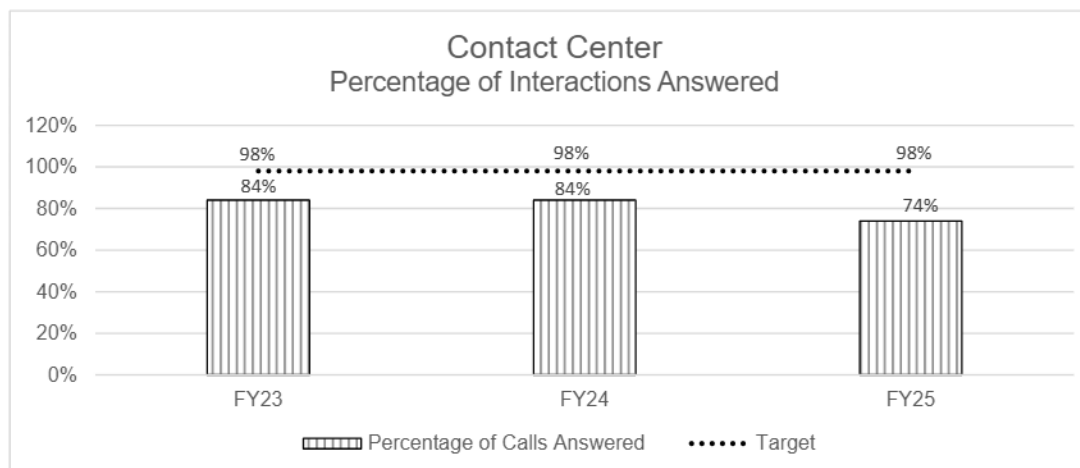
Program is found in the following core budget(s): Taxation

2b. Provide a measure(s) of the program's quality.

i. Contact Center - Incoming Calls Abandoned / Answered



In FY25, the number of incoming interactions increased by 3,725. In FY25, the abandoned interactions increased by 50 percent compared to FY24. A notable increase in notices sent out by the Department in FY25 (1,776,956, up by 133,996 from FY24) and the average available agents decreased from 31 in FY24 to 29 in FY25 contributed to the 50 percent increase.



PROGRAM DESCRIPTION

Department of Revenue

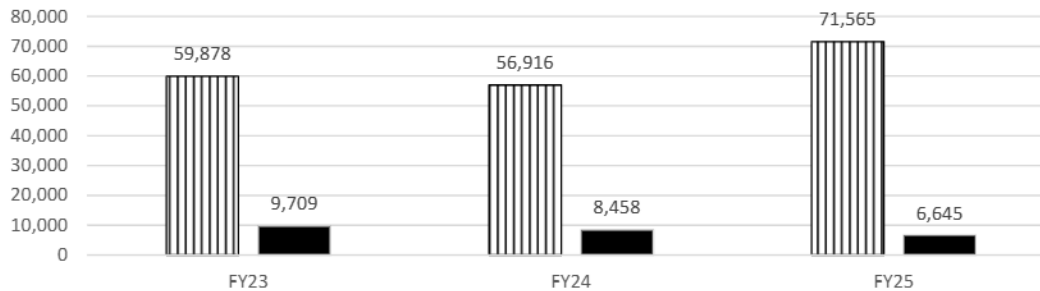
AB Section(s): 4.010

Program Name: Collections and Tax Assistance

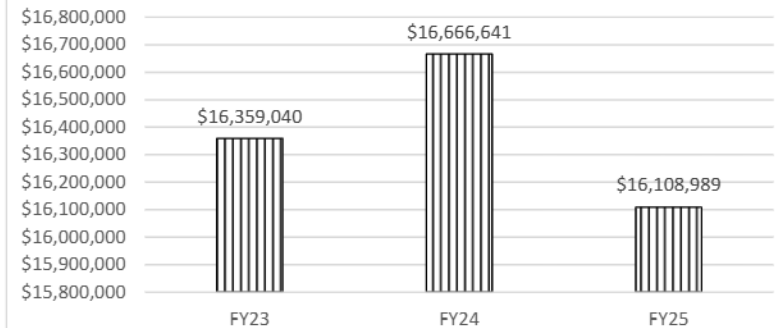
Program is found in the following core budget(s): Taxation

ii. Garnishment - Debts Reviewed for Garnishment vs. Garnishments Issued

Accounts Reviewed for Garnishments vs. Garnishments Issued



Garnishment Collections



The Department is responsible for taking steps to ensure individuals and businesses pay their tax liability. These steps can range from an initial balance due notice to more serious collection enforcement actions such as issuance of a bank, wage or brokerage account garnishment. All debts are reviewed before garnishment orders are issued. The Department reviews external data sources to search for assets to garnish, such as wages or bank accounts. All collection notices must be mailed, and a lien must be present on the debt, before a garnishment can be issued on an outstanding balance due.

PROGRAM DESCRIPTION

Department of Revenue

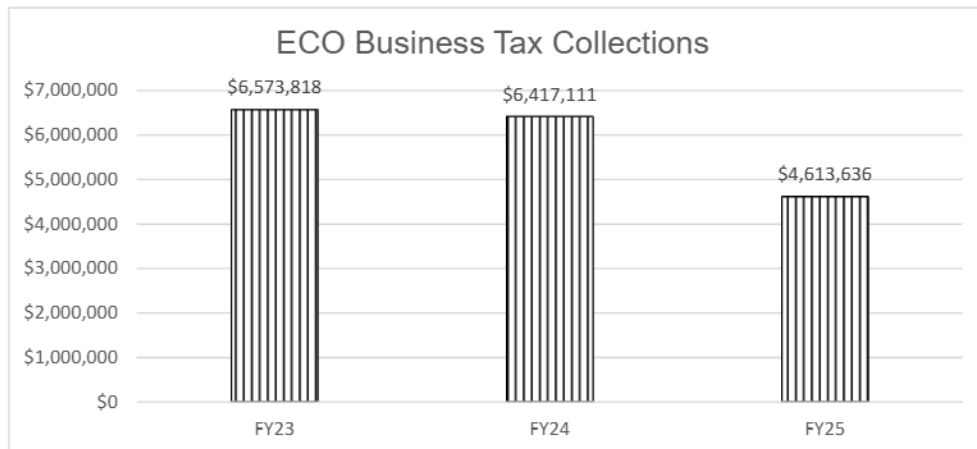
AB Section(s): 4.010

Program Name: Collections and Tax Assistance

Program is found in the following core budget(s): Taxation

2c. Provide a measure(s) of the program's impact.

i. Enforced Collections - Garnishment Collections and Collections made by our Extraordinary Collections (ECO) staff.



The specialized Extraordinary Collections (ECO) staff work with the Taxation collection attorneys to file motions in court or injunctions and place liens for businesses with debts over \$50,000 that are operating without a valid sales tax license. One ECO position was reallocated in late FY24, decreasing the size of the ECO team to two FTEs.

This team reinstated 28 entities in FY25, and completed six permanent injunctions.

PROGRAM DESCRIPTION

Department of Revenue

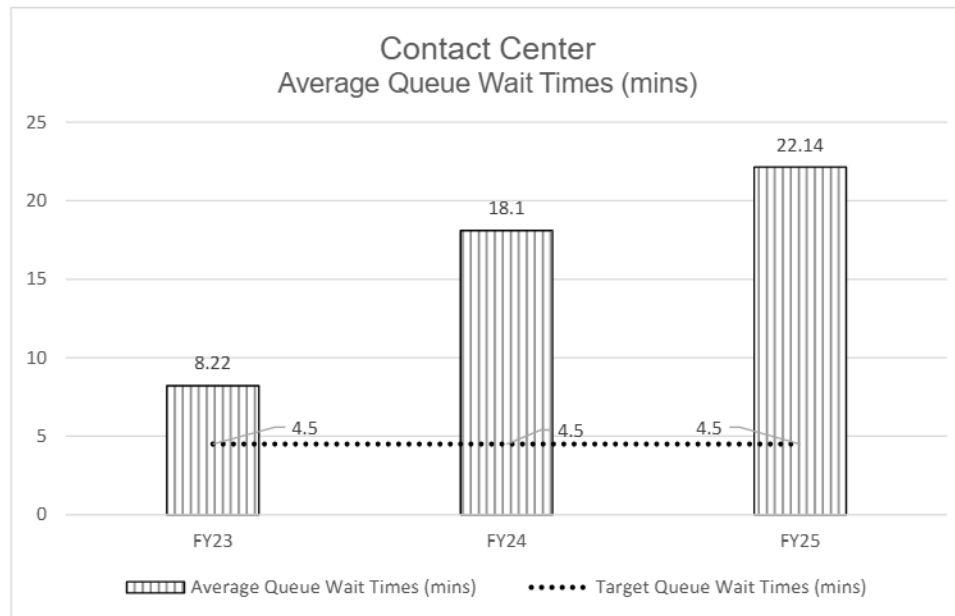
AB Section(s): 4.010

Program Name: Collections and Tax Assistance

Program is found in the following core budget(s): Taxation

2d. Provide a measure(s) of the program's efficiency.

i. Contact Center - Average Queue Time



The Contact Center's average wait time increased during FY25. Throughout tax season, which is the busiest time of year for Taxation, the contact center struggled to fill vacancies, averaging 31 vacancies compared 29 vacancies for the same time period in FY24. The Department also issued 133,996 more notices in FY25 than in FY24.

The Contact Center's on queue messages do offer alternative solutions for customers who cannot wait. They include:

- DORA Gen AI BOT
- Live Chat
- Schedule a Tax Call
- MyTax Portal for Self-service
- Virtual Hold that holds their place in line and when they are next to be assisted, the agent will call them

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

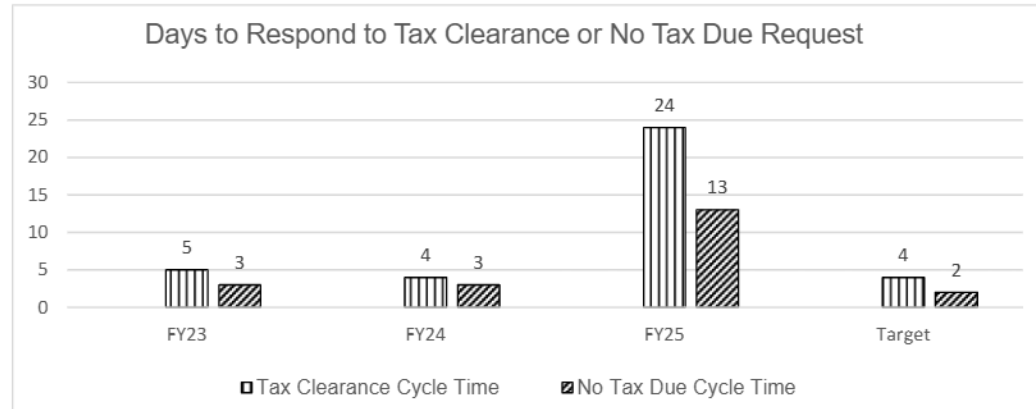
Program Name: Collections and Tax Assistance

Program is found in the following core budget(s): Taxation

ii. Tax Clearance - Days to Respond to a Request

Tax Clearance requests require a more extensive review than a No Tax Due.

In FY25, the increase in cycle time for Tax Clearance requests and No Tax Due requests can be attributed to turnover in staff. The team also added new tasks: MO Bucks with the State Treasurer's Office and a revamp of how tax clearances for RFP bids for MVDL offices are completed.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

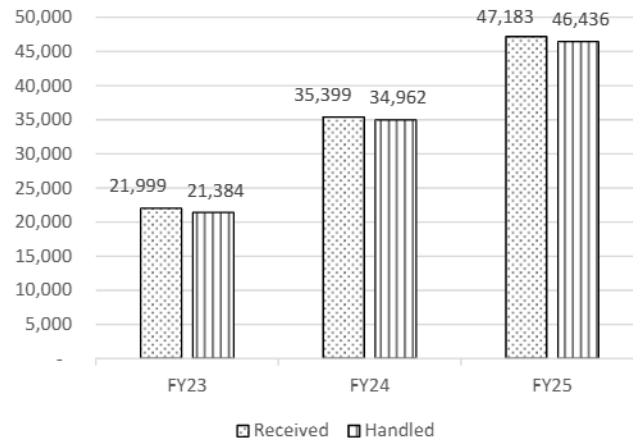
Program Name: **Collections and Tax Assistance**

Program is found in the following core budget(s): **Taxation**

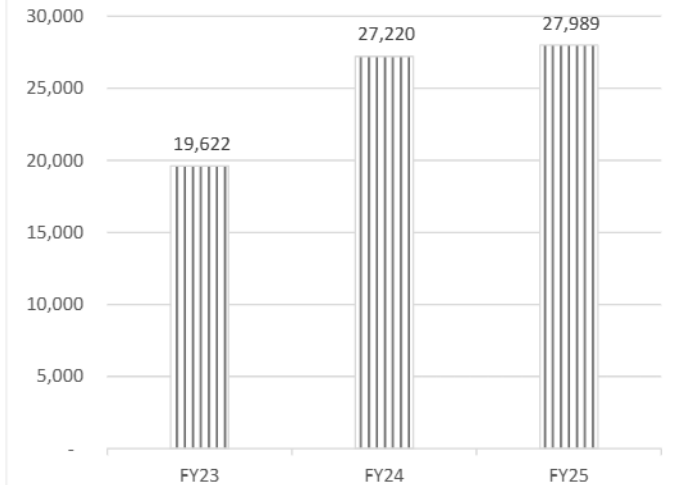
3. Live Chat and Schedule a Tax Call.

In FY24, the Department began actively promoting two services, utilizing postcards distributed in the Tax Information Office and at speaking engagements, as well as consistent social media promotion. As a result of these efforts, both services experienced continued growth in popularity during FY25, as demonstrated by the provided chart. Our most seasoned agents handled the increased customer contact volume.

**Live Chat Interactions
Received/Answered**



Schedule a Tax Call



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

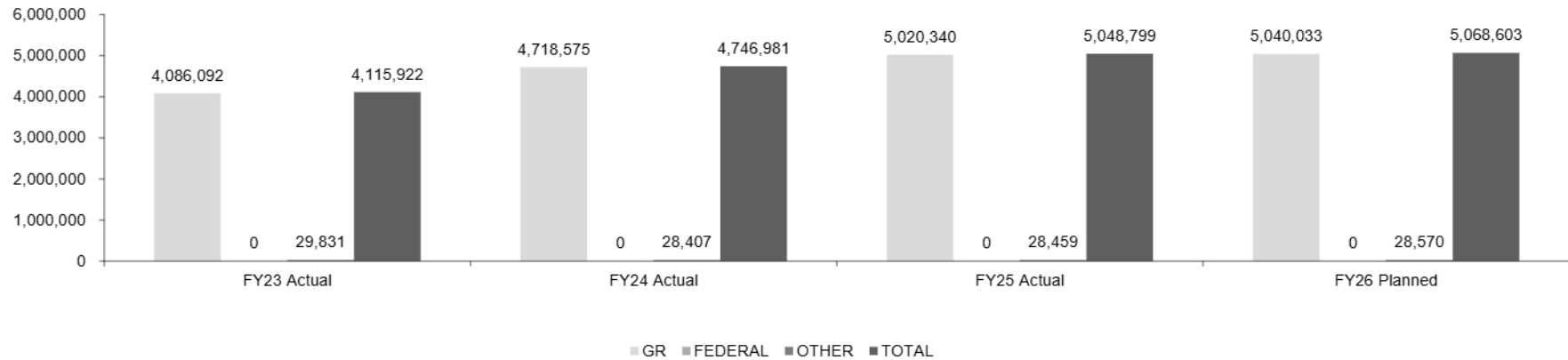
Program Name: Collections and Tax Assistance

Program is found in the following core budget(s): Taxation

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

(Note: Amounts do not include fringe benefit costs.)

Program Expenditure History



4. What are the sources of the "Other " funds?

N/A

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri Constitution, Article IV, Sections 12, 15 and 22 and Chapters 32, 136, 142, 143, 144, and 147 RSMo

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name - Compliance Tax Investigation Bureau

Program is found in the following core budget(s): Taxation

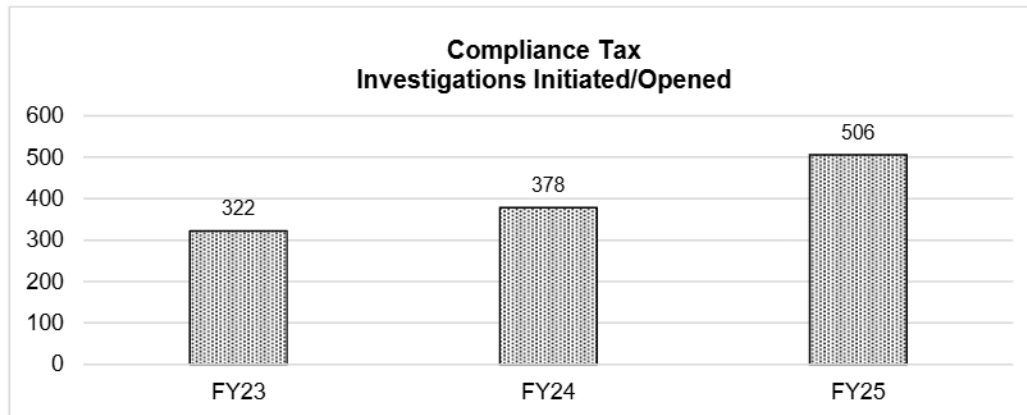
1a. What strategic priority does this program address?

Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; Partnerships; IT Roadmap

1b. What does this program do?

The Compliance Tax Investigation Bureau (CTIB) is responsible for creating and maintaining a climate of voluntary compliance to help citizens and businesses meet their statutory requirements by investigating potential tax violations (sales, use, withholding and income taxes) and issuing summonses to businesses that fail to file and pay sales and withholding taxes in a timely manner. CTIB's investigations often lead to the payment of monies owed without the need to refer cases to prosecuting attorneys for potential criminal charges.

2a. Provide an activity measure(s) for the program.



PROGRAM DESCRIPTION

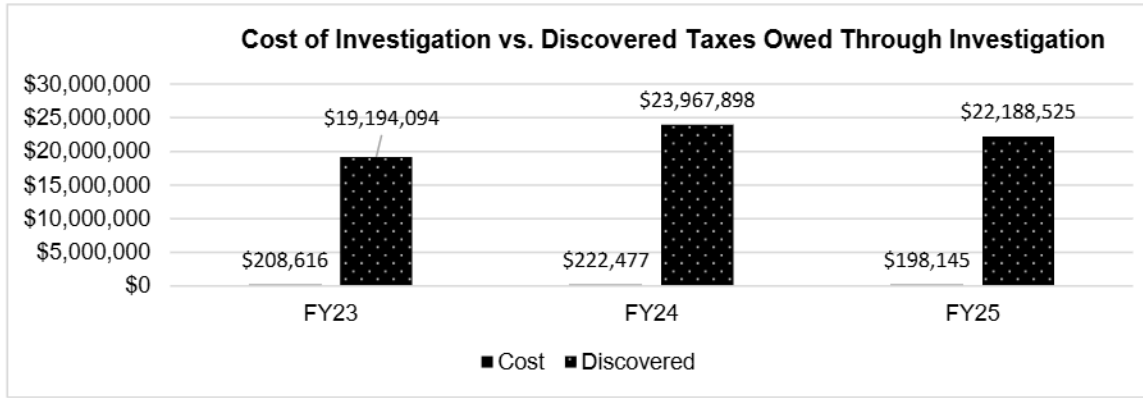
Department of Revenue

AB Section(s): 4.010

Program Name - Compliance Tax Investigation Bureau

Program is found in the following core budget(s): Taxation

2b. Provide a measure(s) of the program's quality.



2c. Provide a measure(s) of the program's impact.



PROGRAM DESCRIPTION

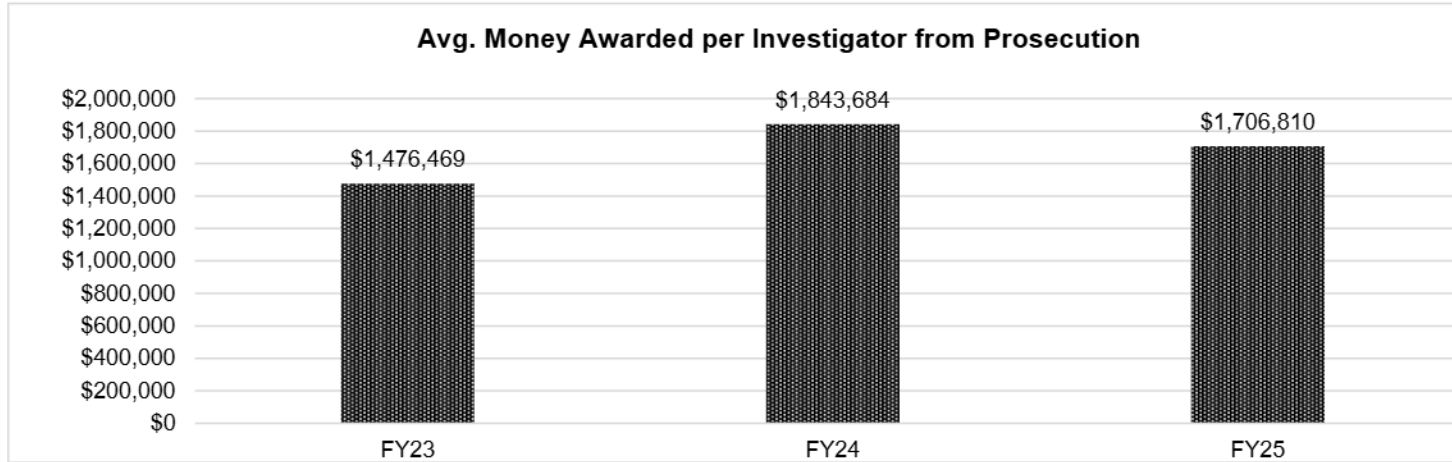
Department of Revenue

AB Section(s): 4.010

Program Name - Compliance Tax Investigation Bureau

Program is found in the following core budget(s): Taxation

2d. Provide a measure(s) of the program's efficiency.



PROGRAM DESCRIPTION

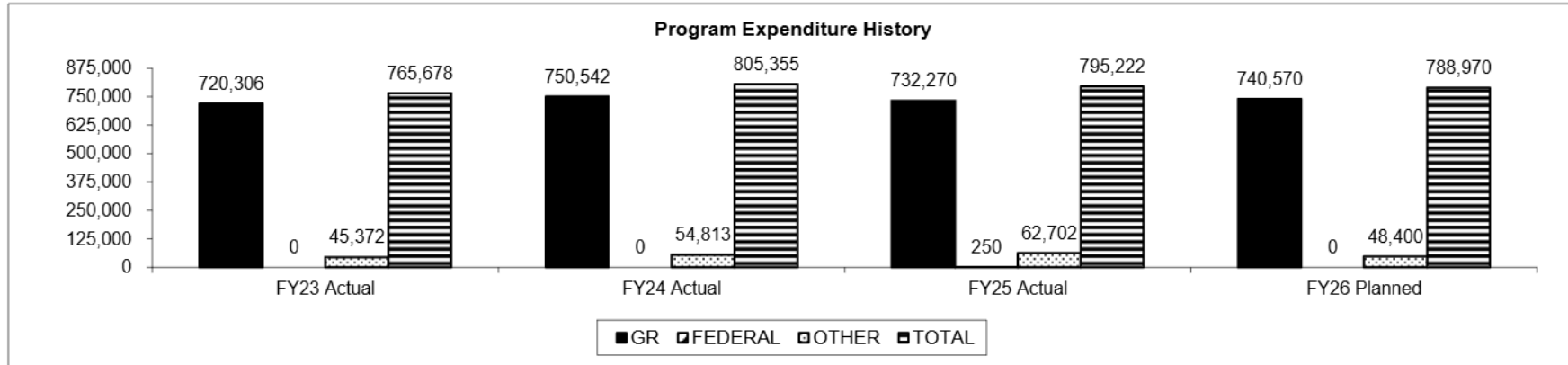
Department of Revenue

AB Section(s): 4.010

Program Name - Compliance Tax Investigation Bureau

Program is found in the following core budget(s): Taxation

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

Tobacco Control Special Fund ((0984)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri Constitution, Article IV, Sections 12 and 22, Chapters 32, 136, 142, 143, 144, 147, 154, 301.302 and 306, RSMo

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name: Electronic Services

Program is found in the following core budget(s): Taxation

1a. What strategic priority does this program address?

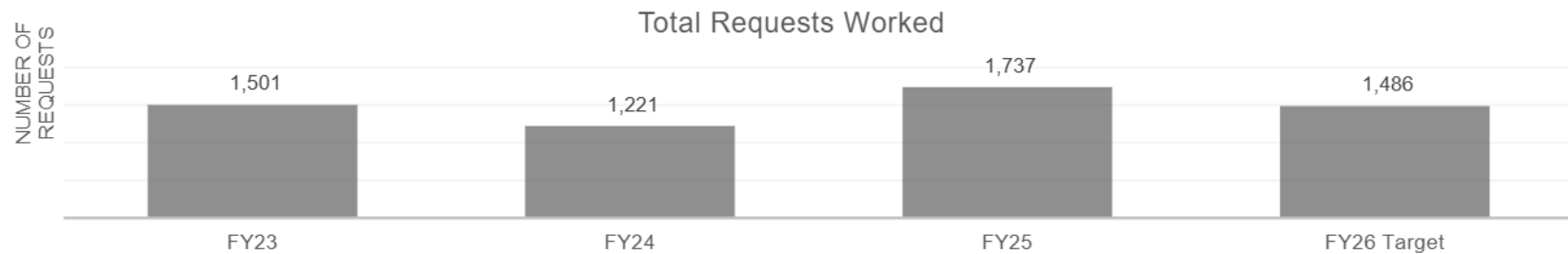
Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; Partnerships; IT Roadmap

1b. What does this program do?

The System Support and Electronic Services team provides operational support for the Integrated Tax System within the Taxation Division. They are responsible for managing the tax system data requests and ensure system security for all employees within the Taxation Division.

2a. i. Tax Electronic Services - Volume of Requests Worked

The Tax Electronic Services section measures total data and security requests completed. Data requests include identifying the number of taxpayers or returns that meet a specific set of criteria and preparing and maintaining the Integrated Tax System reports. This section also processes and maintains individual security access to the Integrated Tax System.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

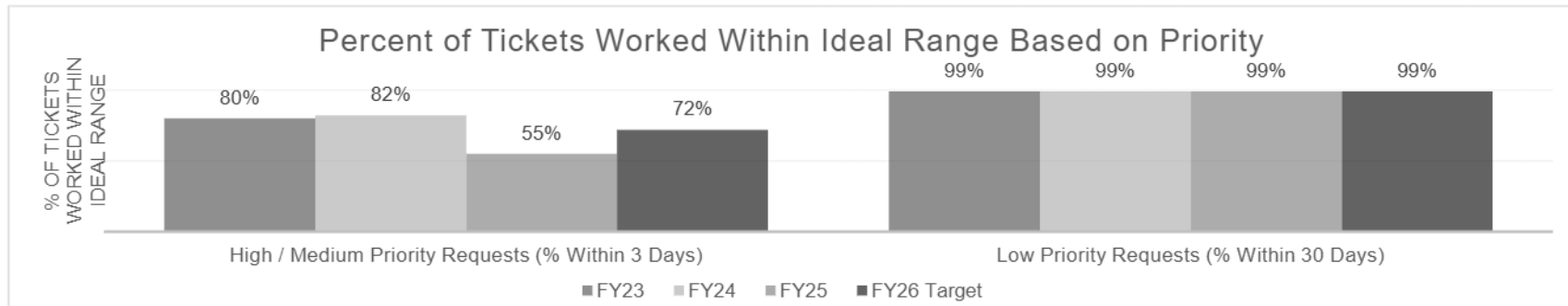
Program Name: Electronic Services

Program is found in the following core budget(s): Taxation

2b. Provide a measure(s) of the program's quality.

ii. Tax Electronic Services - Types and Areas of Data Requests Received

Tax Electronic Services measure the percentage of data requests completed within established timeframes. High and medium priority requests are targeted for completion within three days, while low priority requests are targeted for 30 days. Tracking these metrics ensures efficient and quality service delivery for all data requests. Due to increased support responsibilities for the Integrated Tax System, the section's processing time for high and medium priority requests within three days was impacted.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

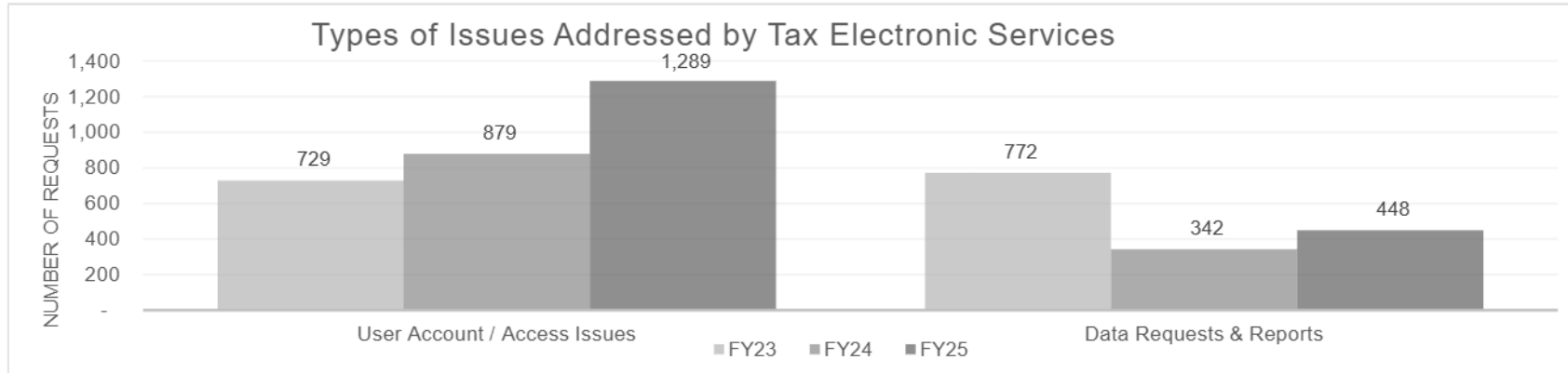
Program Name: Electronic Services

Program is found in the following core budget(s): Taxation

2b. Provide a measure(s) of the program's quality (cont).

iii. Tax Electronic Services - Impact of Requests

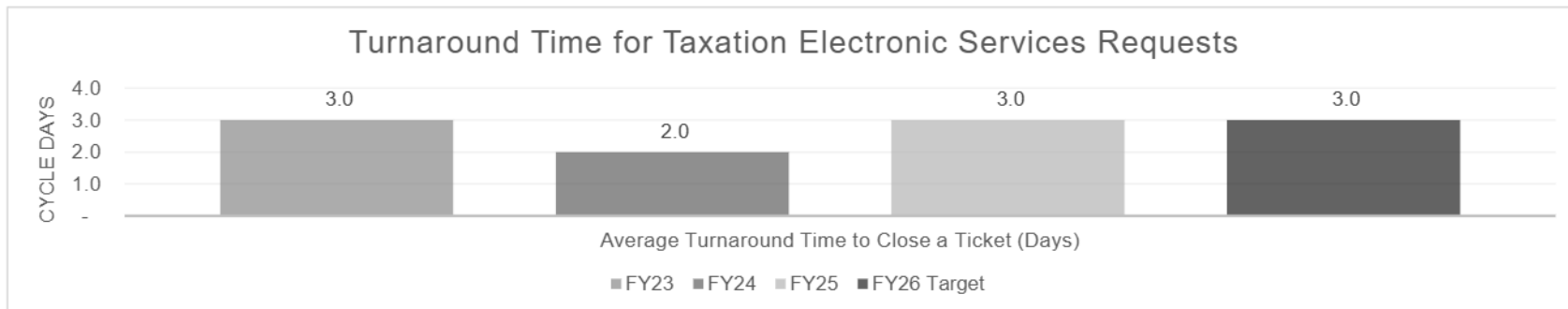
The Tax Electronic Services unit strategically supports the entire Taxation Division by fulfilling critical data, report, and system access requirements. These insights are instrumental in optimizing processes, evaluating system performance, and driving strategic initiatives. By analyzing the nature of service requests, we proactively enhance our support and measure its impact on the Division's effectiveness.



2b. Provide a measure(s) of the program's quality (cont).

iv. Tax Electronic Services - Turnaround Time for Requests, Tickets, and Bugs

Electronic Services track the average time to complete requests, tickets, and defect resolution, from submission to completion. This monitoring ensures timely service for data and security requests.



PROGRAM DESCRIPTION

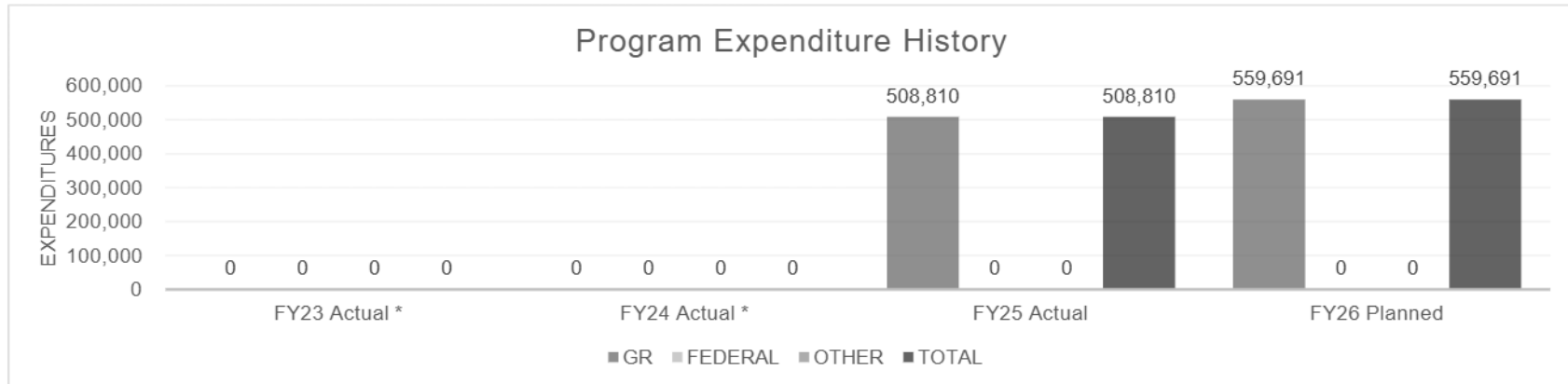
Department of Revenue

AB Section(s): 4.010

Program Name: Electronic Services

Program is found in the following core budget(s): Taxation

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



*The Electronic Services Bureau is new and has no historical expenditures.

4. What are the sources of the "Other " funds?

N/A

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri Constitution, Article IV, Sections 12, 15 and 22 and Chapters 32, 136, 142, 143, 144, and 147 RSMo.

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010Program Name: Field Compliance BureauProgram is found in the following core budget(s): Taxation**1a. What strategic priority does this program address?**

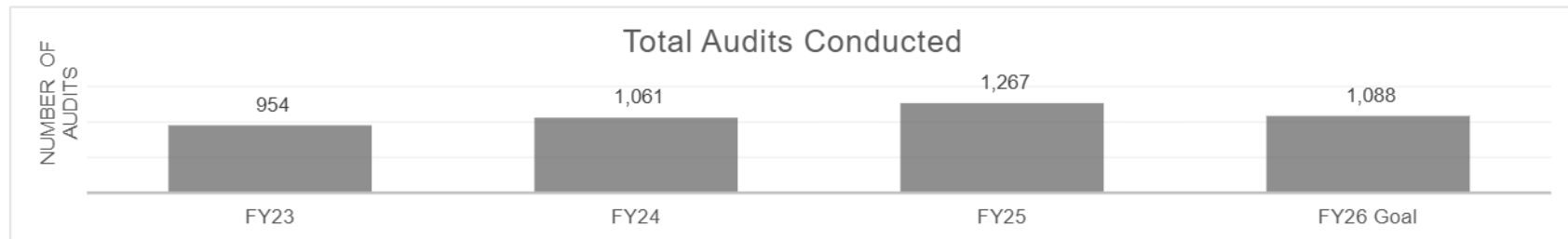
Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; Partnerships; IT Roadmap

1b. What does this program do?

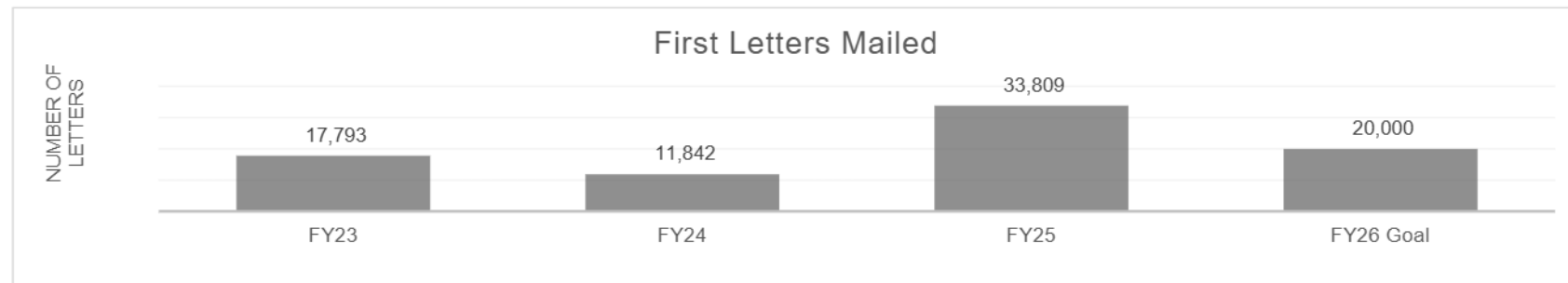
The Field Compliance Bureau (FCB) includes Audit Services and Nexus. FCB assists and educates Missouri customers to help them become compliant with Missouri statutory tax obligations by conducting audits and notifying business customers of potential tax liability.

2a. Provide an activity measure(s) for the program.**i. Audits - Volume of Audits Conducted**

The Audit Services section conducts and measures audits to ensure adherence to internal production standards and to provide education to businesses doing business in Missouri, which fosters future tax compliance. Upon completion, customers gain the knowledge needed to fulfill their tax filing and payment obligations.

**2a. Provide an activity measure(s) for the program (cont).****ii. Nexus - Number of 1st Letters Mailed**

The Nexus section notifies businesses with Missouri activity of potential tax and payment obligations.



In FY24, the Department streamlined one of the nexus programs, reducing unnecessary outreach to business-entities without Missouri withholding tax obligations. This change resulted in fewer entities contacted and fewer letters mailed. However, the significantly larger 1099k program that provides leads on credit card sales in FY25 required an increased number of initial letter being mailed.

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

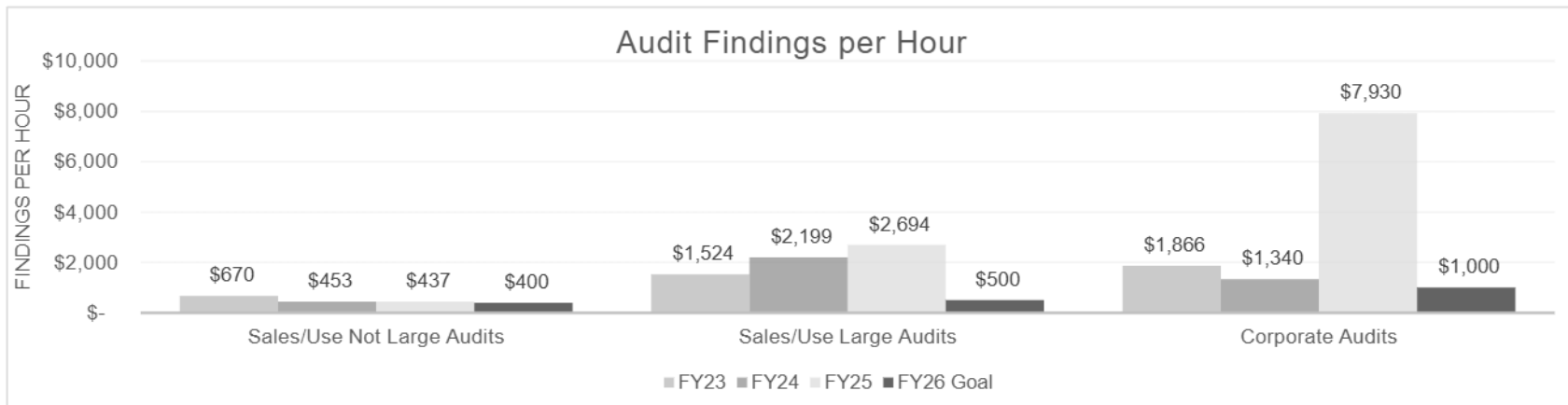
Program Name: Field Compliance Bureau

Program is found in the following core budget(s): Taxation

2b. Provide a measure(s) of the program's quality.

i. Audits - Findings per Hour

The Audit Services section's audit findings per hour provide a measure of program quality by ensuring we are selecting the right businesses for audit.



The Department's audit model serves as the framework used for selecting businesses to audit prioritizing those with a higher degree of noncompliance. The extent of noncompliance determines which businesses are chosen for audit. Compliant taxpayers generally do not require our assistance or educational support. It should be noted that a singular corporate audit in FY25, totaling \$42 million in audit findings, impacted the average audit findings per hour for that timeframe.

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

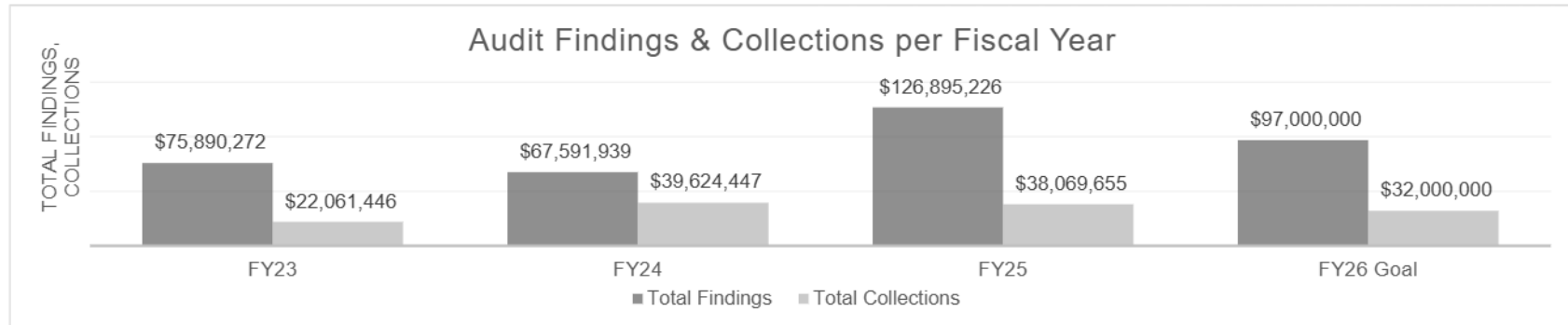
Program Name: Field Compliance Bureau

Program is found in the following core budget(s): Taxation

2c. Provide a measure(s) of the program's impact.

i. Audits - Audit Findings & Collections per Year

The Audit Services section identifies unreported tax revenues that would have otherwise gone undetected. Impact in this area is measured by the amount of findings and collections resulting from completed audits.

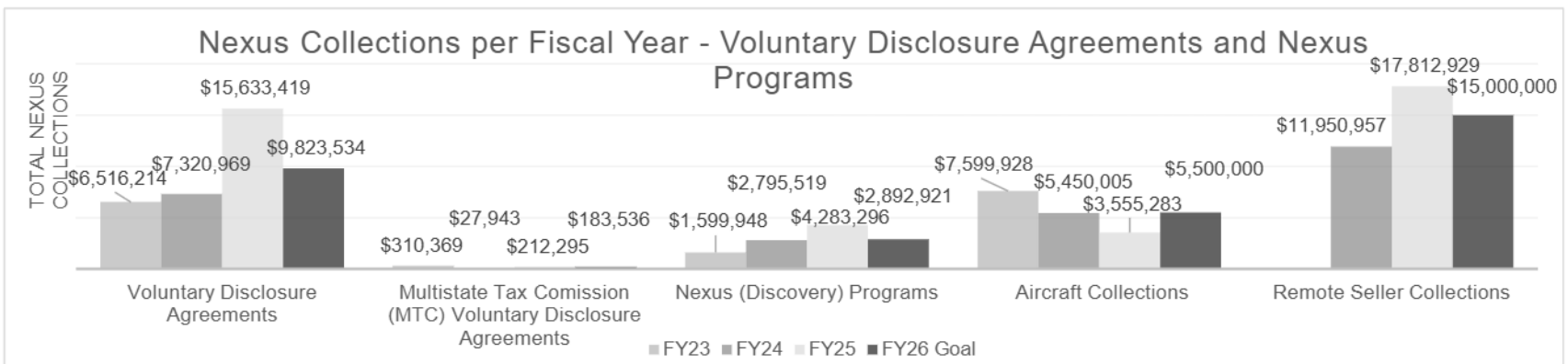


Audit assessments are sent and paid through the Department's collection actions. A collection may not be made by the customer until settlement or after a hearing for appealed audits, unless they pay under protest. The actual collection, in most instances, is not influenced by the Field Compliance Bureau. It should be noted that a singular corporate audit in FY25, totaling \$42 million in audit findings, created the significant impact for this fiscal year.

2c. Provide a measure(s) of the program's impact (cont).

ii. Nexus - Collections per Year

The Nexus Unit measures impact in the form of collections from Voluntary Disclosure Agreements (VDA) and various Nexus programs.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

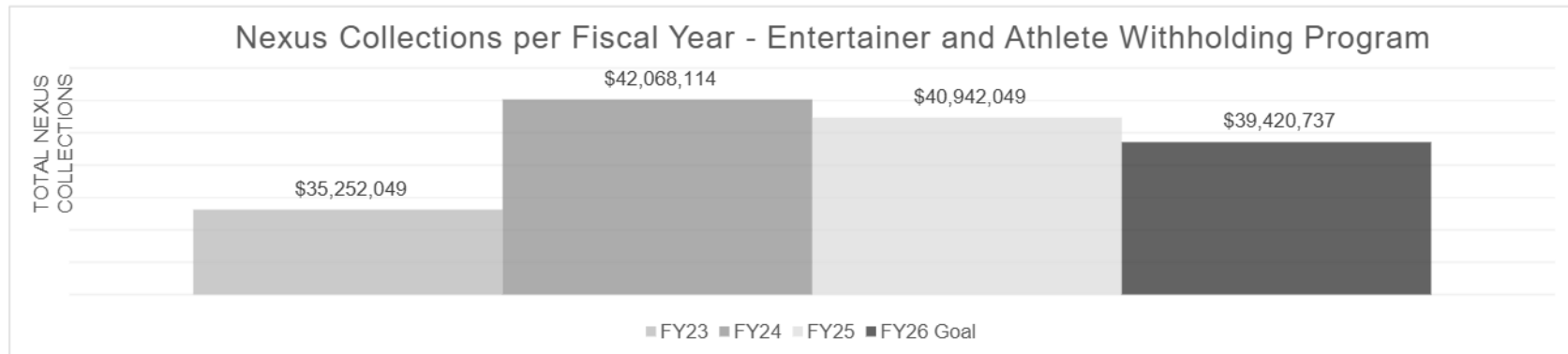
Program Name: Field Compliance Bureau

Program is found in the following core budget(s): Taxation

2c. Provide a measure(s) of the program's impact (cont).

iii. Nexus - Collections per Year

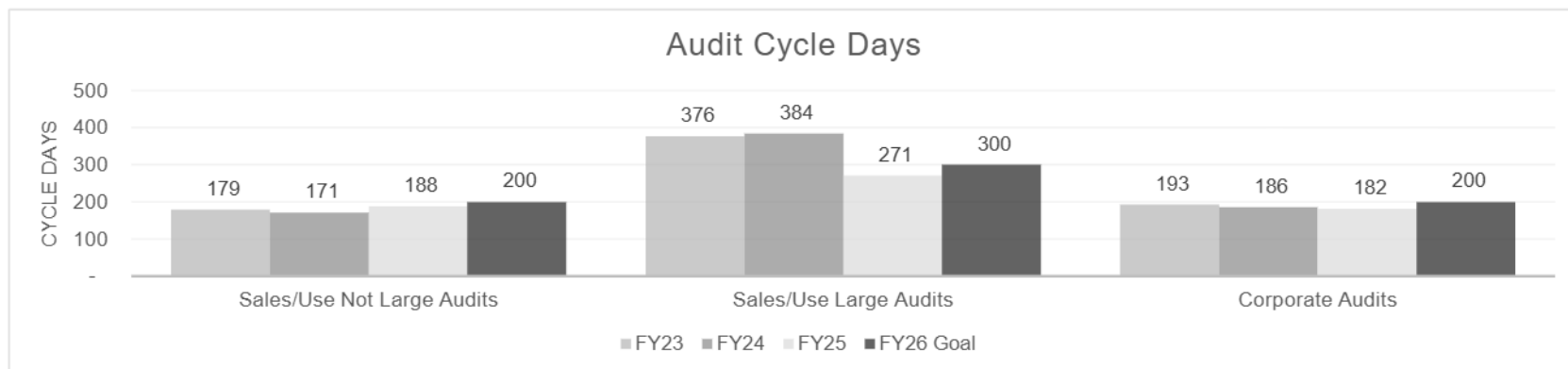
The Nexus Unit is also responsible for administering the entertainer and athlete withholding program.



2d. Provide a measure(s) of the program's efficiency.

i. Audits - Cycle Days from Open to Close

The FCB measures efficiency as the average audit cycle days per audit category. Audit cycle days represents the number of days to complete the audit from the start of field work until the audited returns are submitted and any necessary assessments issued. Monitoring our average cycle days ensures we are performing audits efficiently and with minimal disruption to Missouri business activities.



PROGRAM DESCRIPTION

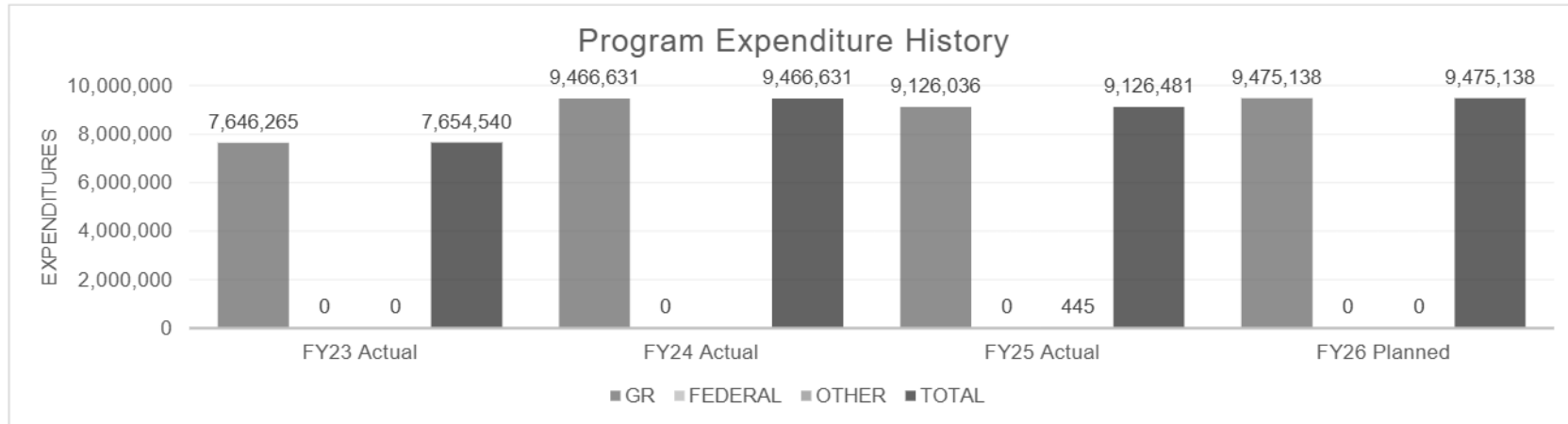
Department of Revenue

AB Section(s): 4.010

Program Name: Field Compliance Bureau

Program is found in the following core budget(s): Taxation

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

Not Applicable

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri Constitution, Article IV, Sections 12, 15 and 22 and Chapters 32, 136, 142, 143, 144, and 147 RSMo.

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION	
Department of Revenue	AB Section(s): 4.010
Program Name: Income Tax Bureau	
Program is found in the following core budget(s): Taxation	
1a. What strategic priority does this program address? Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; Partnerships; IT Roadmap 1b. What does this program do? The Income Tax Bureau administers income tax laws to help Missouri citizens meet their tax obligations by manually reviewing returns, reviewing returns for fraud, issuing refunds, adjustment and billing notices, responding to customer inquiries, and administering debt offset programs.	

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

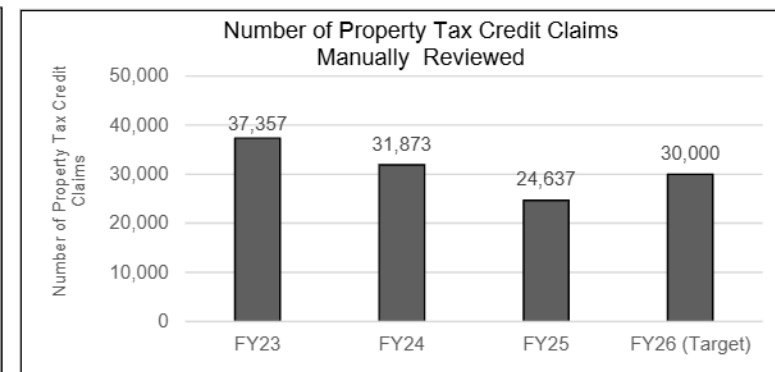
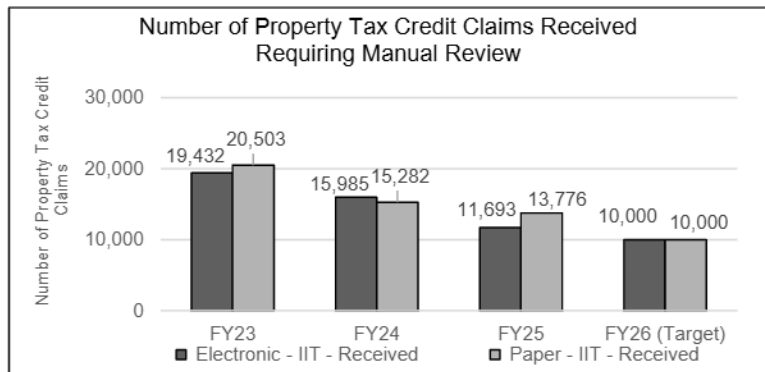
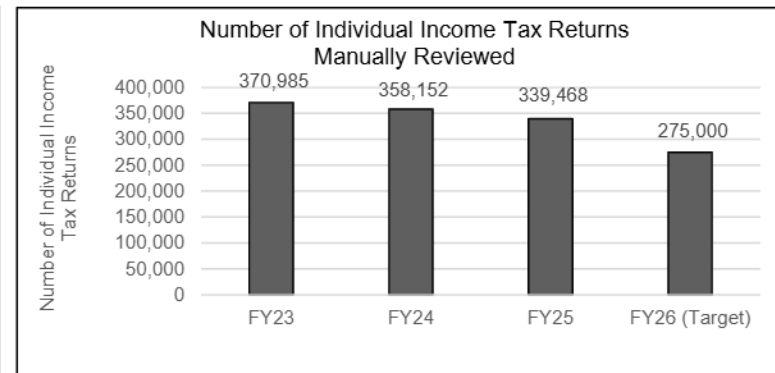
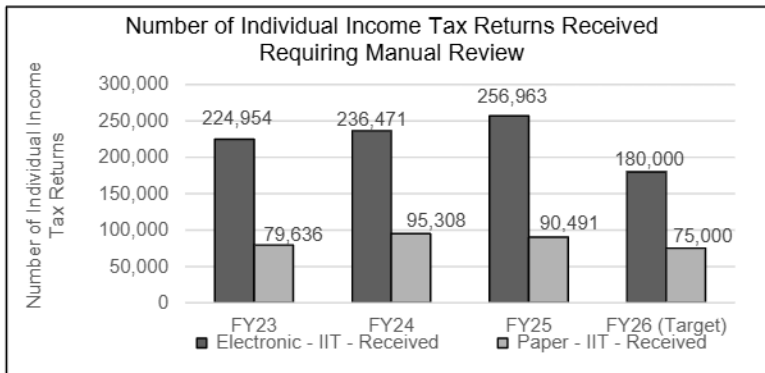
Program Name: Income Tax Bureau

Program is found in the following core budget(s): Taxation

2a. Provide an activity measure(s) for the program (cont.).

i. Returns Manually Reviewed - Volume

The Income Tax Bureau manually reviews returns/claims flagged by system edits to verify accurate calculations and ensure that all required documents are submitted. In FY24 and FY25, the number of individual income tax returns undergoing manual review rose, driven by increased filings for miscellaneous tax credits, most notably the pass-through entity tax credit. In FY25, however, manual reviews of property tax credit claims declined as cost-of-living adjustments for social security recipients pushed many former claimants above the income eligibility threshold.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name: Income Tax Bureau

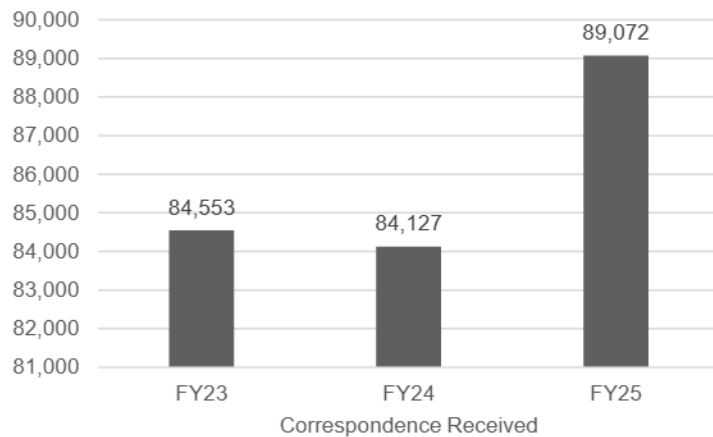
Program is found in the following core budget(s): Taxation

2a. Provide an activity measure(s) for the program (cont.).

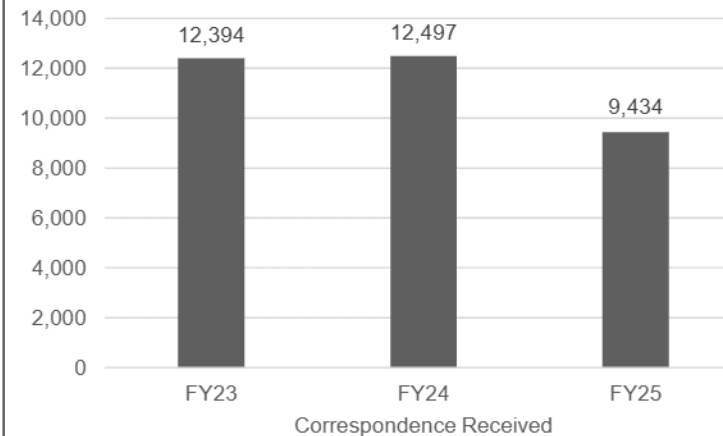
ii. Correspondence Received for Individual Income and Property Tax Credit Claims - Volume

The Income Tax Bureau receives emails and written correspondence in response to notices issued regarding adjusted or balance due returns, non-filed periods, and general inquiries. In FY25, correspondence volumes increased, one of the contributing factors was due to an amendment to a regulation prohibiting negative federal adjusted gross income on the Missouri return, resulted in additional inquiries from taxpayers and tax professionals.

Volume of Correspondence Received for
Individual Income Tax Returns



Volume of Correspondence Received for Property
Tax Credit Claims



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

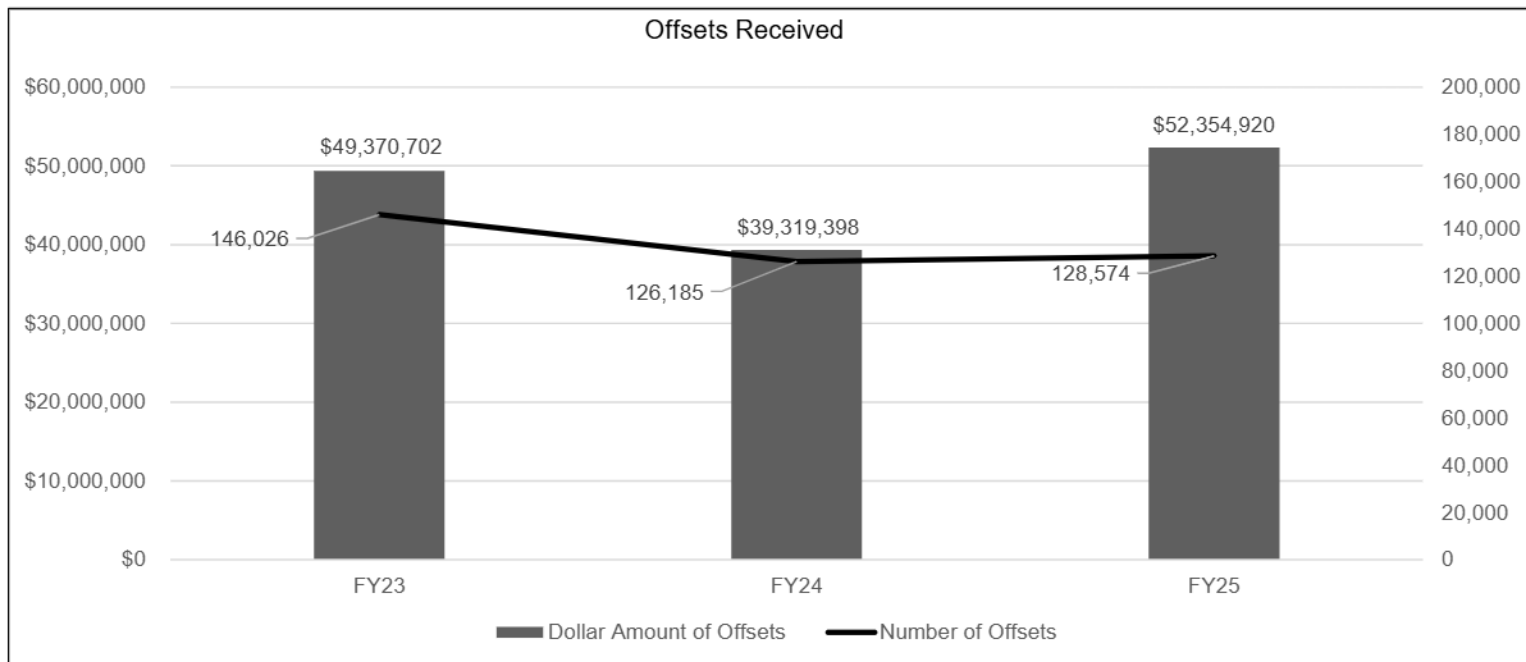
Program Name: Income Tax Bureau

Program is found in the following core budget(s): Taxation

2a. Provide an activity measure(s) for the program (cont.).

iii. Income Tax Offsets Received - Volume and Amount

The Income Tax Bureau administers reciprocal offset agreements with the Internal Revenue Service and the Kansas Department of Revenue to receive offset money and apply to Missouri individual income tax debts. The volume and dollar amounts below also include internal offsets.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

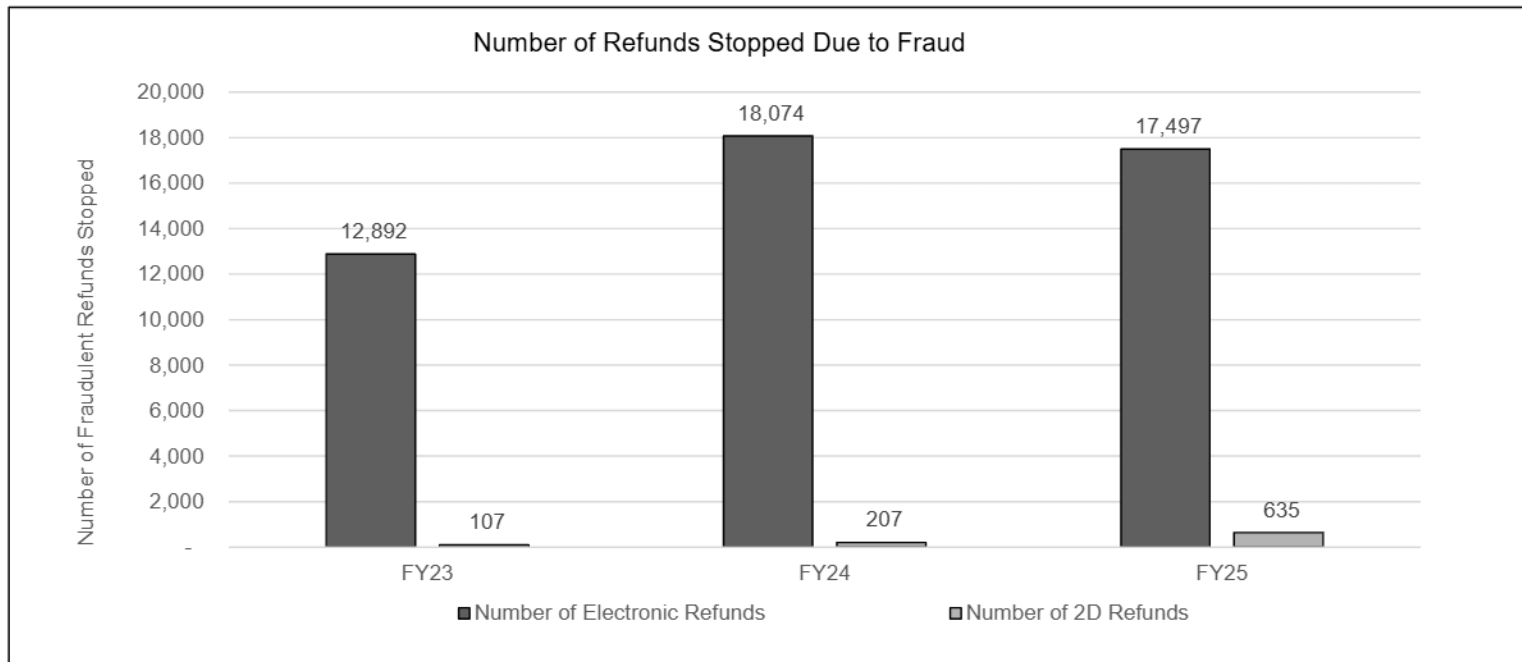
Program Name: Income Tax Bureau

Program is found in the following core budget(s): Taxation

2a. Provide an activity measure(s) for the program (cont.).

iv. Refunds Stopped Due to Fraud - Volume

The Income Tax Bureau works with an external vendor to continually update a fraud analytics algorithm that identifies fraudulent returns. The algorithm is updated based on patterns found by our fraud team, other states sharing fraud patterns, and continuous analysis by our partnering vendor. A score is assigned to each electronically and portal filed individual income tax return and property tax credit claim and they undergo a pattern and cluster analysis. If the score exceeds the thresholds set, if fraudulent patterns or clusters are identified, the return is flagged for manual review. The Income Tax Bureau also utilizes reports developed to identify fraud on paper returns. Fraud trends observed in previous fiscal years persisted through FY25, with the addition of a new scheme surrounding returns filed with an out-of-state address.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name: Income Tax Bureau

Program is found in the following core budget(s): Taxation

2a. Provide an activity measure(s) for the program (cont.).

v. Volume of Notices Issued to State Employees, Professional Licensees, and Other Discovery Programs

The Income Tax Bureau is required to perform a tax compliance check on all state employees and professional licensees holders including attorneys and insurance licensees to determine if the taxpayer has filed and paid the last three years of tax returns. If an employee or licensee has not filed a return or has a delinquency, a notice is mailed to the taxpayer. If the taxpayer fails to remedy or make arrangements for tax compliance, the agency or board is notified. The Income Tax Bureau receives data from the IRS to identify additional leads of potential taxpayers who haven't filed a tax return or have discrepancies on their filed return. If any non-filed period or discrepancy is identified, a notice is mailed to the taxpayer.

In FY21, the Division of Professional Registration requested the Department suspend the Professional Registration Program with their agency. The Department is working with Professional Registration to resume the compliance project.

Discovery Programs	FY23	FY24	FY25
State Employees	4,148	6,718	6,500
Professional Registration	-	-	-
Insurance	302	289	404
Nursing Home Administrators	24	35	52
Attorneys	342	592	391
Non-filers	170,565	192,426	163,214
Discrepancy	27,083	11,422	13,472
Total Notifications	202,464	211,482	184,033

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name: Income Tax Bureau

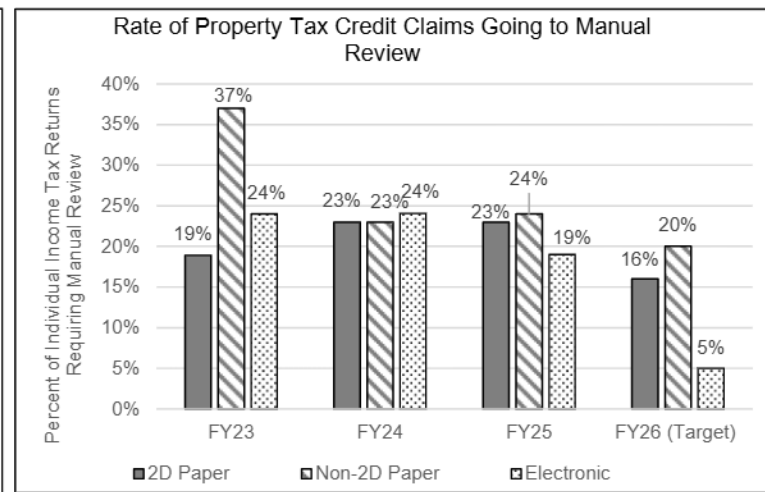
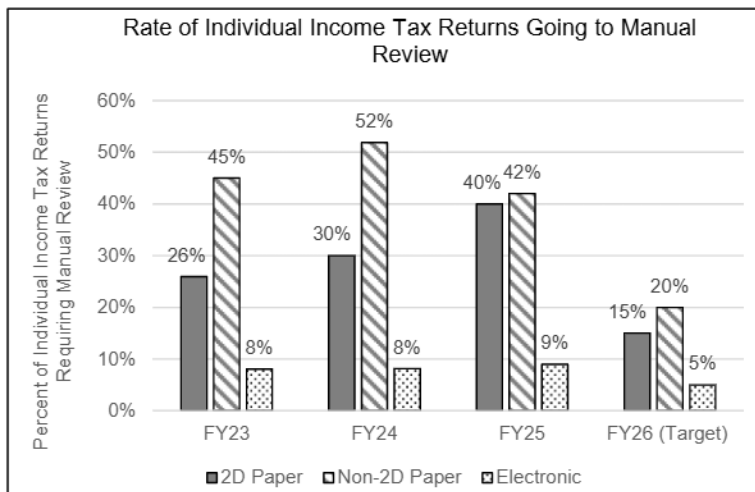
Program is found in the following core budget(s): Taxation

2b. Provide a measure(s) of the program's quality.

i. Rate of Returns Going to Manual Review

The rate of individual income tax returns and property tax credit claims flagged for manual review are categorized below by filing source as 2D paper, non-2D paper, and electronic. The 2D paper returns are paper forms that include a 2D barcode and are scanned into the system. The non-2D paper returns are forms with no barcode which must be keyed into the system manually or are sent through scanners utilizing data capture software that reads the data entered on each line of the form. The electronic returns are returns submitted electronically and received through our Mefile software.

During tax season, daily quality checks are conducted in an effort to identify any issues that increase the manual review rate.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

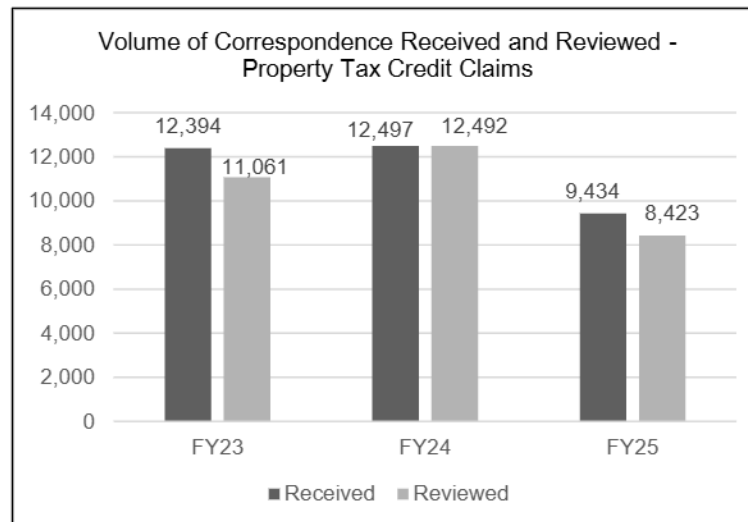
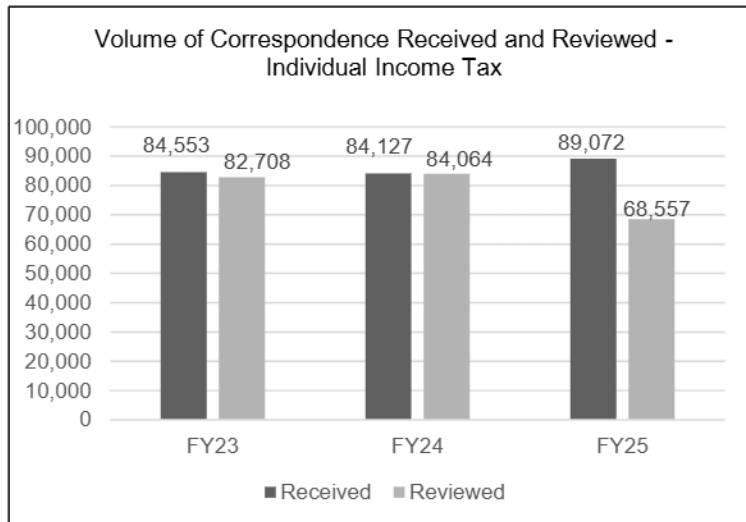
Program Name: Income Tax Bureau

Program is found in the following core budget(s): Taxation

2c. Provide a measure(s) of the program's impact.

i. Volume of Correspondence Reviewed for Individual Income and Property Tax Credit Claims

The Income Tax Bureau receives emails and written correspondence in response to notices regarding adjusted or balance due returns, non-filed periods, and general inquiries. Due to employee turnover and contributing factors, such as an increase in filings for miscellaneous tax credits, most notably the pass-through entity tax credit, an identified fraud scheme involving out-of-state returns, and dedicating staff to manually reviewing returns from tax season, resulted in limiting the department's ability to address incoming inquiries.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

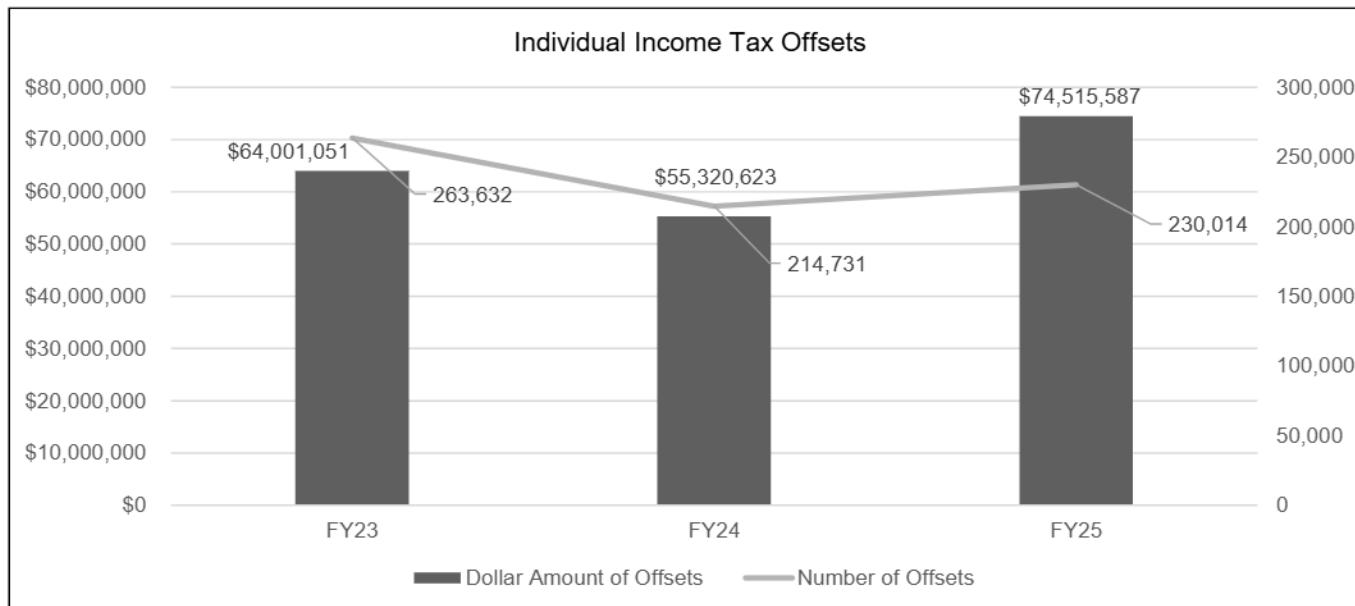
Program Name: Income Tax Bureau

Program is found in the following core budget(s): Taxation

2c. Provide a measure(s) of the program's impact.

ii. Income Tax Offsets - Dollar Impact

The Department has a reciprocal offset agreement with many state agencies, colleges, and housing authorities which allows the Department to offset individual income tax refunds if a customer has an existing debt with the partner agency, college, or housing authority.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

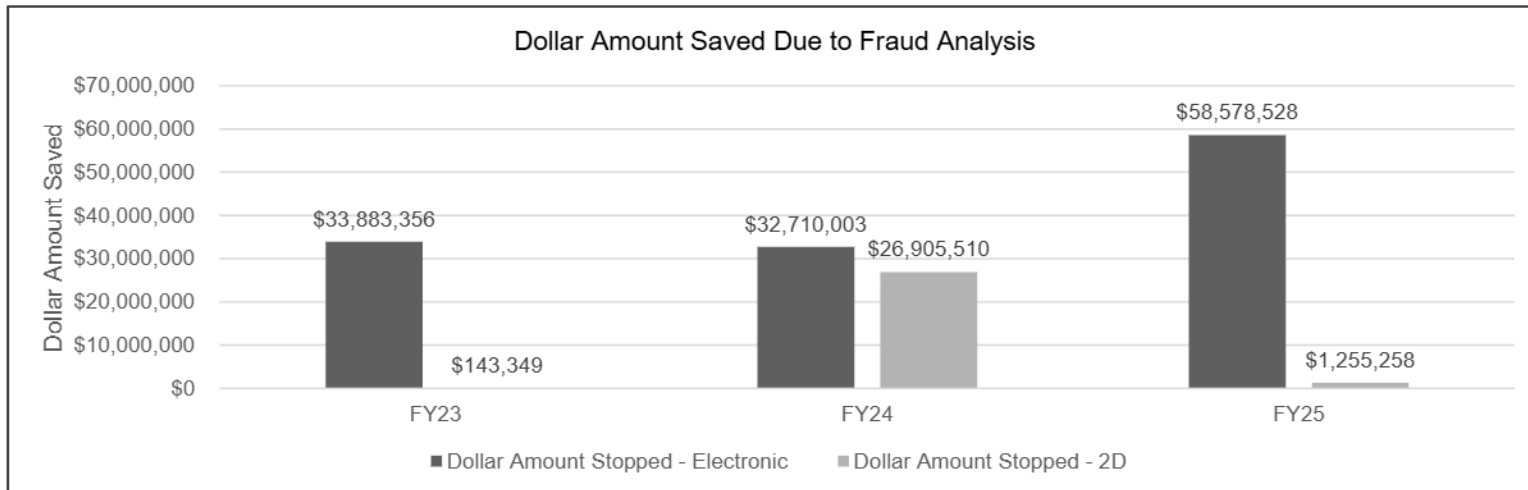
Program Name: Income Tax Bureau

Program is found in the following core budget(s): Taxation

2c. Provide a measure(s) of the program's impact.

iii. Refunds Stopped Due to Fraud - Volume and Dollar Amount

The Income Tax Bureau tracks the volume and dollar amount of refunds stopped following the submission of fraudulent returns. These fraudulent refunds were identified as noted in 2a.iv. In FY24 and FY 25 we experienced a trend in fraud dollars stopped associated with 2D and non-2D (paper filed) returns.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name: Income Tax Bureau

Program is found in the following core budget(s): Taxation

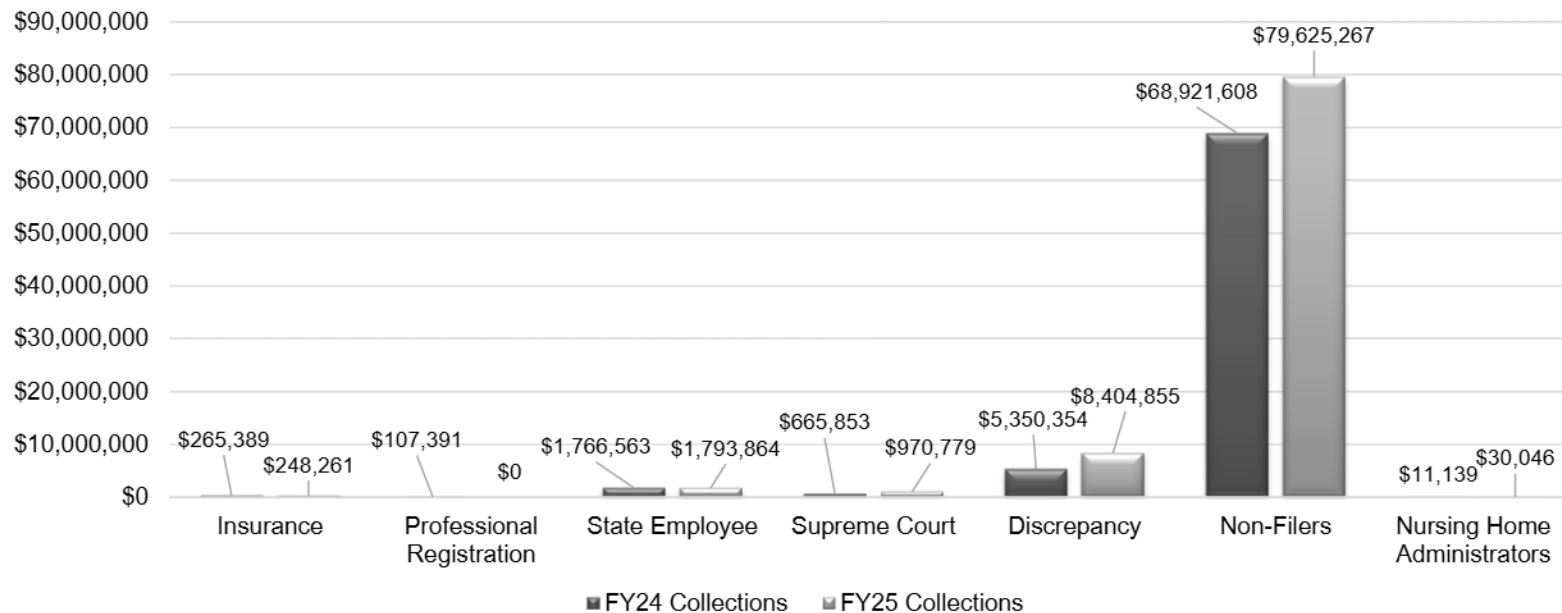
2c. Provide a measure(s) of the program's impact.

iv. Collections from State Employees, Professional Licensees, and Other Discovery Programs

Below is the dollar amount the Department has collected in relation to the activity of the volume of notices issued to state employees, professional licensees holders, and other discovery programs.

In FY21, the Division of Professional Registration requested the Department suspend the Professional Registration Program with their agency. The Department is working with Professional Registration to resume the compliance program.

Discovery Program Collections



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

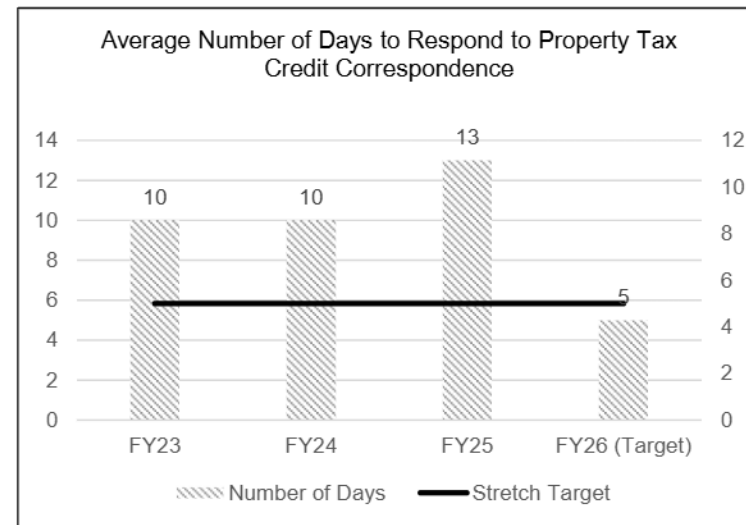
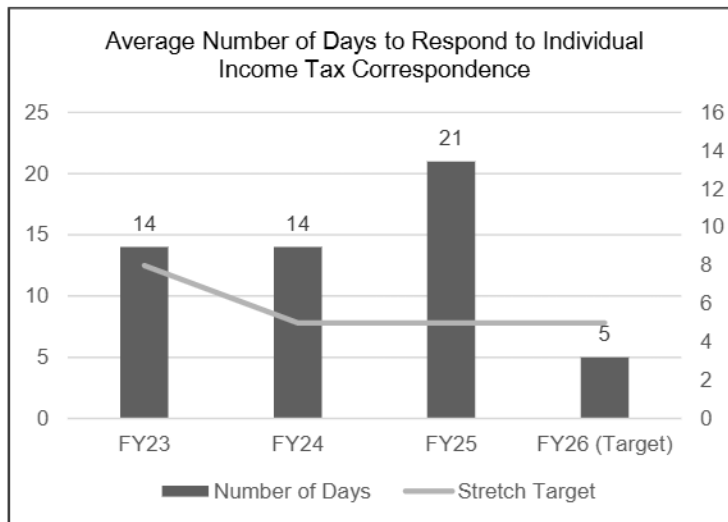
Program Name: Income Tax Bureau

Program is found in the following core budget(s): Taxation

2d. Provide a measure(s) of the program's efficiency.

i. Individual Income and Property Tax Credit Correspondence - Average Number of Days to Respond

The Income Tax Bureau receives emails and paper correspondence in response to notices issued regarding adjusted or balance due returns, non-filed periods, and to general inquiries. Due to employee turnover and contributing factors, such as an increase in filings for miscellaneous tax credits, most notably the pass-through entity tax credit, an identified fraud scheme involving out-of-state returns, and dedicating staff to manually reviewing returns from tax season, resulted in limiting the Department's ability to address incoming inquiries resulting in an increase in the average number of days to respond to correspondence.



PROGRAM DESCRIPTION																										
Department of Revenue	AB Section(s): 4.010																									
Program Name: Income Tax Bureau																										
Program is found in the following core budget(s): Taxation																										
3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)																										
Program Expenditure History <table border="1" style="margin: 0 auto; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Fiscal Year</th> <th>GR</th> <th>FEDERAL</th> <th>OTHER</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>FY23 Actual</td> <td>3,798,591</td> <td>0</td> <td>19,508</td> <td>3,818,100</td> </tr> <tr> <td>FY24 Actual</td> <td>3,980,963</td> <td>0</td> <td>18,009</td> <td>3,998,973</td> </tr> <tr> <td>FY25 Actual</td> <td>4,008,869</td> <td>0</td> <td>18,009</td> <td>4,026,879</td> </tr> <tr> <td>FY26 Planned</td> <td>4,024,595</td> <td>0</td> <td>18,080</td> <td>4,042,675</td> </tr> </tbody> </table>		Fiscal Year	GR	FEDERAL	OTHER	TOTAL	FY23 Actual	3,798,591	0	19,508	3,818,100	FY24 Actual	3,980,963	0	18,009	3,998,973	FY25 Actual	4,008,869	0	18,009	4,026,879	FY26 Planned	4,024,595	0	18,080	4,042,675
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4. What are the sources of the "Other " funds? Conservation Commission Fund (0609), Health Initiatives Fund (0275), Petroleum Inspection Fund (0662), Petroleum Storage Fund (0585), Highway Collections GR/State Highways and Transportation Department (0644)																										
5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.) Missouri Constitution, Article, IV, Sections 12, 15, and 22 and Chapters 32, 134, 143, 143, 144, and 147 RSMo																										
6. Are there federal matching requirements? If yes, please explain. No																										
7. Is this a federally mandated program? If yes, please explain. No																										

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name: Processing Bureau

Program is found in the following core budget(s): Taxation

1a. What strategic priority does this program address?

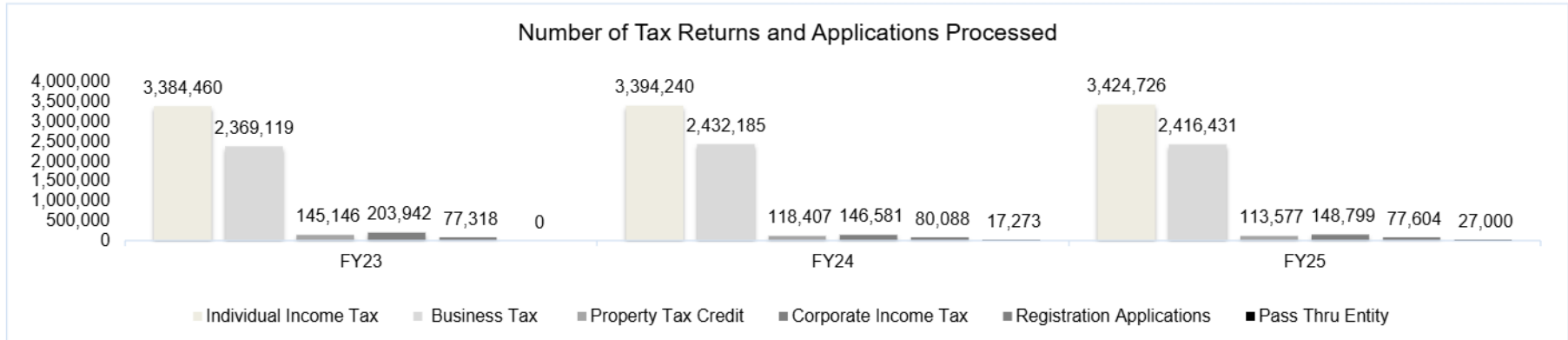
Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; Partnerships; IT Roadmap

1b. What does this program do?

The Processing Bureau administers tax laws to help Missouri citizens, state and local political subdivisions meet their obligations by depositing funds into General Revenue and other state and local funds and processing returns. Tax types include Individual and Corporate Income, Pass-Through Entity, Sales and Use, Employer Withholding, Insurance, Tire and Battery Fee, Property Tax Credit claims and business registrations.

2a. Provide an activity measure(s) for the program.

1) Number of Tax Returns Processed



Note: Business Tax Returns includes the following returns: Sales, Vendor's Use, Consumer's Use, Employer Withholding, Insurance Tax, Tire and Lead-Acid Battery Fees.

PROGRAM DESCRIPTION

Department of Revenue

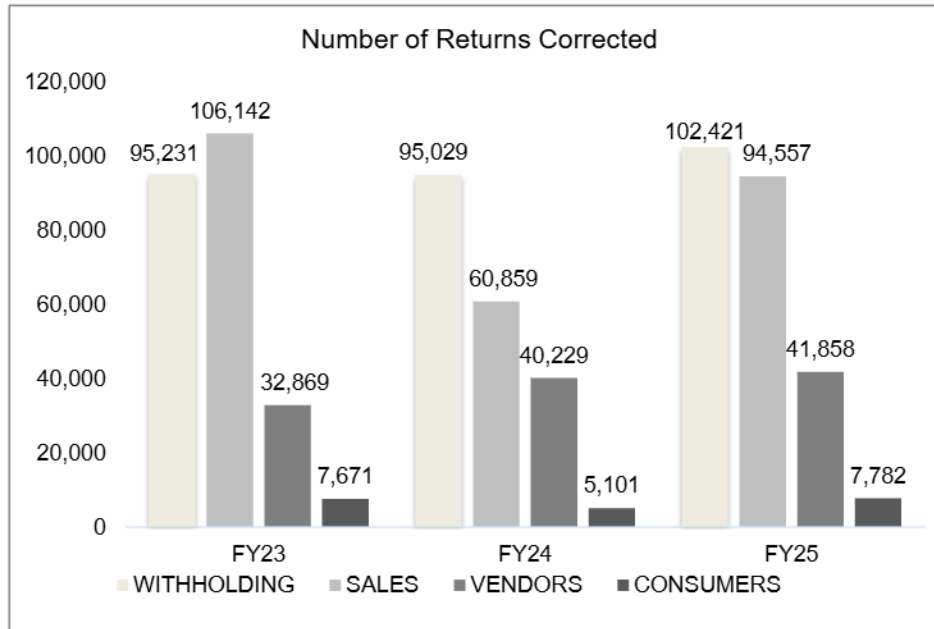
AB Section(s): 4.010

Program Name: Processing Bureau

Program is found in the following core budget(s): Taxation

2a. Provide an activity measure(s) for the program (cont).

2) Number of Sales/ Use / Withholding Returns Corrected



The Processing Bureau reviews and corrects returns that have been flagged by the system for errors (exceptions), such as missing information, taxpayer calculation mistakes, and incorrect jurisdiction or site codes. Correcting these errors allows the taxpayer's return to process with accurate rates and figures.

In FY23, the bureau implemented a system change when adding multiple locations to a sales tax return. This improvement made the process 33 percent faster. In FY24, we saw an eight percent reduction in the number of returns that required corrections. We continued outreach efforts to educate and assist businesses with online filing. We implemented a system upgrade for adding new locations on sales and use tax returns.

In FY24, the bureau implemented a new outreach program to increase electronic filing. We saw a three percent increase between FY23 and FY24. Customers that have three or more sales locations and did not file electronically were provided the education and one-on-one customer service assistance to file online. Filing electronically reduces the number of filing errors.

In FY25, the bureau maintained its outreach efforts, contacting businesses with three or more locations that submitted paper returns monthly. As a result, 39 percent of businesses receiving these communications transitioned to electronic filing, contributing to an overall two percent increase in electronic filing for the fiscal year.

PROGRAM DESCRIPTION

Department of Revenue

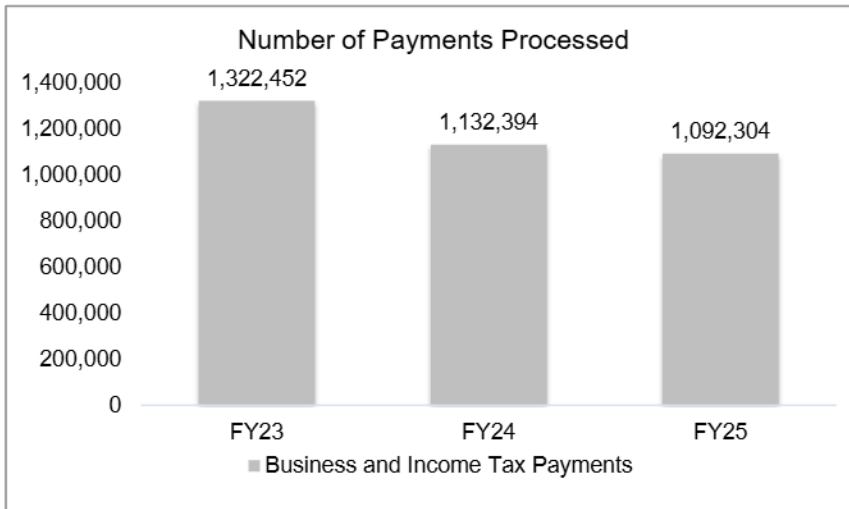
AB Section(s): 4.010

Program Name: Processing Bureau

Program is found in the following core budget(s): Taxation

2a. Provide an activity measure(s) for the program (cont).

3) Number of Business and Income Tax Payments Processed



The Processing Bureau receives a variety of customer payments such as estimated tax payments, returns and billing payments.

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name: Processing Bureau

Program is found in the following core budget(s): Taxation

2b. Provide a measure(s) of the program's quality.

Business tax returns are sent to a suspended status if the return has certain exceptions (errors). These exceptions must be reviewed and corrected before the return can be posted or fully processed. Exceptions include missing information, taxpayer calculation mistakes, incorrect jurisdictions or site codes, or taxpayers not registering properly before filing their return.

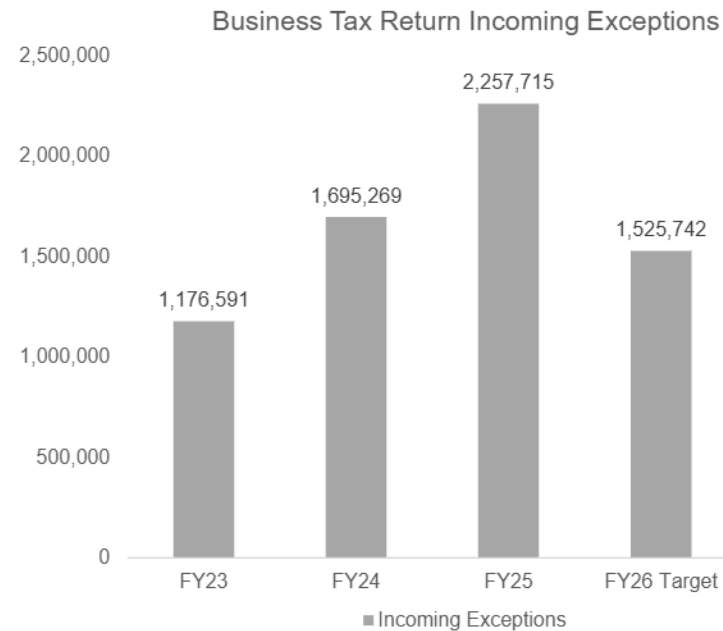
In FY23, outreach efforts were made to educate and assist businesses with online filing. We had a three percent increase in the number of electronically filed business tax returns. We implemented a system upgrade for adding new locations on sales and use tax returns.

In FY24, we continued our outreach program and reached over 2,289 customers. We received a 57 percent response rate. The bureau continues to work on reducing the total number of exceptions by 10 percent.

- There was an increase in the number of incoming exceptions received in FY24 due to two electronic files uploaded incorrectly by the customer, which generated additional exceptions.

In FY25, we continued our focus on reducing the total number of exceptions by working with our customers to ensure the data received in their files was accurate, and providing them guidance on filing with correct locations and jurisdictions.

- A rise in exceptions has been observed within the department, linked to data quality issues stemming from customer's submissions of electronic files.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name: Processing Bureau

Program is found in the following core budget(s): Taxation

2c. Provide a measure(s) of the program's impact.

The below illustrates the state and non-state funds included in the daily deposits.

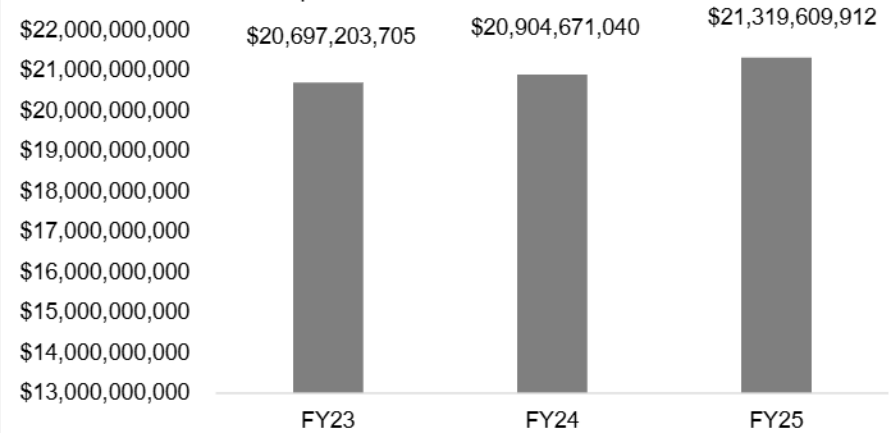
State Accounts

Corporate Tax
Franchise Tax
Withholding Tax
Individual Tax
Pass-Through Entity
Fiduciary Tax
Tire/Battery Tax
Insurance
Captive
Premium
Surplus Lines
Worker's Comp
Credit Annual Report Penalty

Non-State Accounts

Insurance
County Stock
Financial Institutions
Sales
Bankruptcy Clearing
Bank Holding
Compliance Clearing
Splits
MO 911 Trust Fund

Amount Deposited into State and Non-State Funds



In FY24, there was a one percent increase overall in the deposited funds. In FY25, there was a two percent increase in the amount deposited.

PROGRAM DESCRIPTION

Department of Revenue

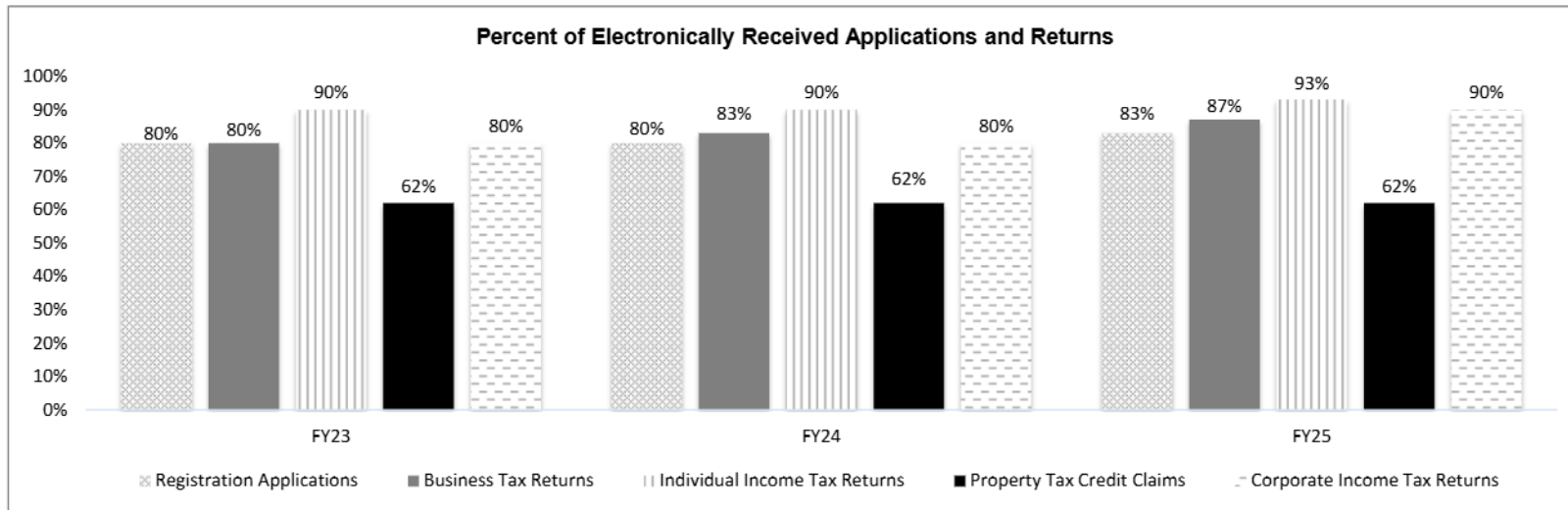
AB Section(s): 4.010

Program Name: Processing Bureau

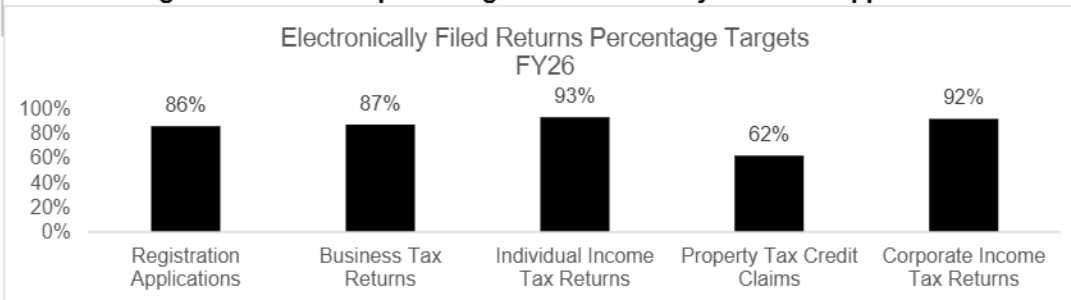
Program is found in the following core budget(s): Taxation

2d. Provide a measure(s) of the program's efficiency.

Percentage of Returns and Applications Received Electronically



FY 2026 Targets: Increase the percentage of Electronically Received Applications and Returns.



Electronically filed returns require less manual intervention and have a lower error rate. Electronically filed business returns pre-populate specific jurisdiction and site codes and auto-calculates certain fields resulting in fewer manual calculations and typographical errors.

PROGRAM DESCRIPTION

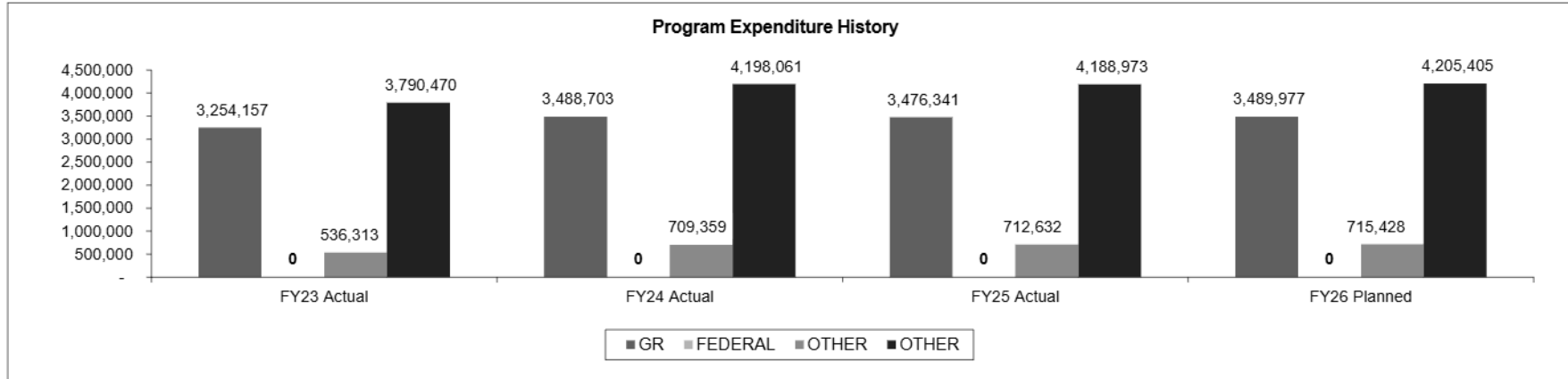
Department of Revenue

AB Section(s): 4.010

Program Name: Processing Bureau

Program is found in the following core budget(s): Taxation

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

N/A

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

N/A

6. Are there federal matching requirements? If yes, please explain.

N/A

7. Is this a federally mandated program? If yes, please explain.

N/A

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name - Integrated Tax System

Program is found in the following core budget(s): Integrated Tax System

1a. What strategic priority does this program address?

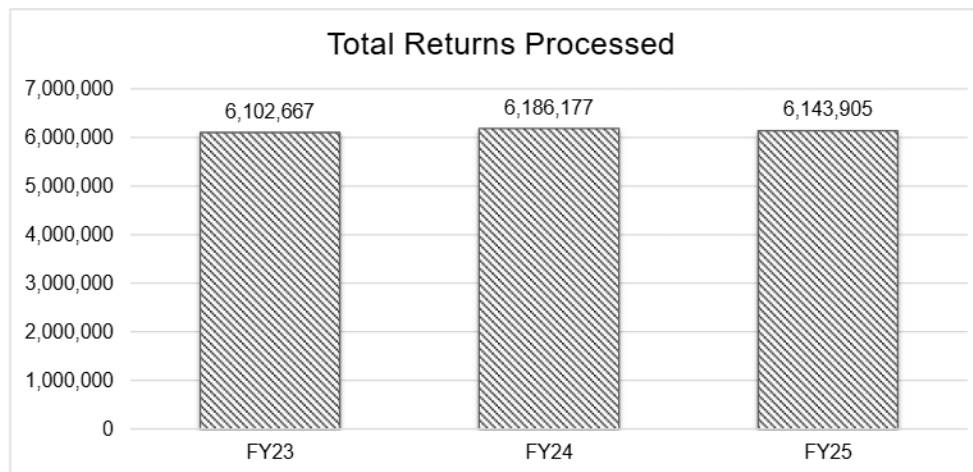
Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; IT Roadmap

1b. What does this program do?

The Integrated Tax System enables the Department to administer the following tax types: Tire and Battery, Sales, Use, Employer Withholding, Individual Income (including Property Tax Credits), Pass-Through Entity and Corporate Income. These tax types comprise the majority of the state's collections for general revenue. In addition, the system allows businesses to register for sales and use tax collection and generates the necessary licenses and documents that businesses need to operate retail businesses in Missouri. Administrative functions include maintaining all financial and administrative activities for each taxpayer, generating notices, collections functions and creating the files needed to generate sales and use tax distributions to all local political subdivisions that have enacted a sales or use tax.

2a. Provide an activity measure(s) for the program.

i. Returns Processed in the Integrated Tax System



PROGRAM DESCRIPTION

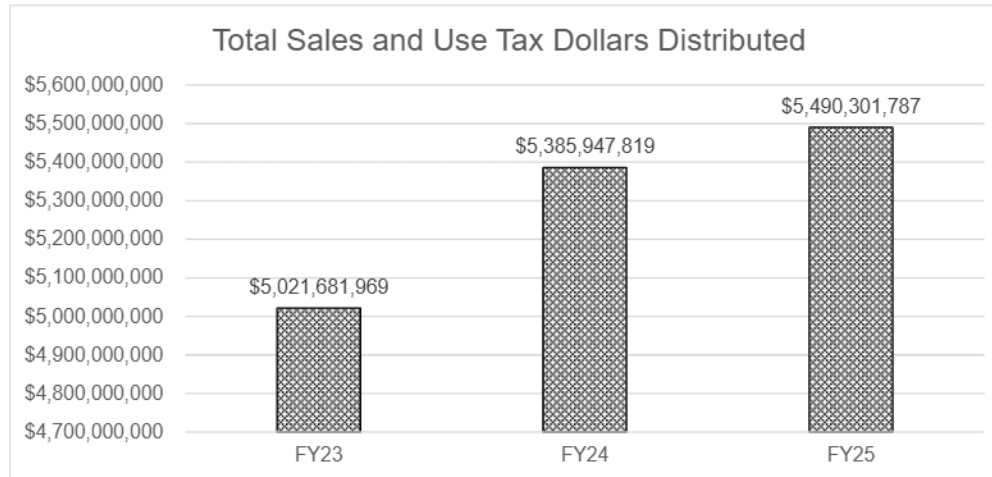
Department of Revenue

AB Section(s): 4.010

Program Name - Integrated Tax System

Program is found in the following core budget(s): Integrated Tax System

ii. Sales / Use Tax Money Distributed to Local Jurisdictions through the Integrated Tax System



PROGRAM DESCRIPTION

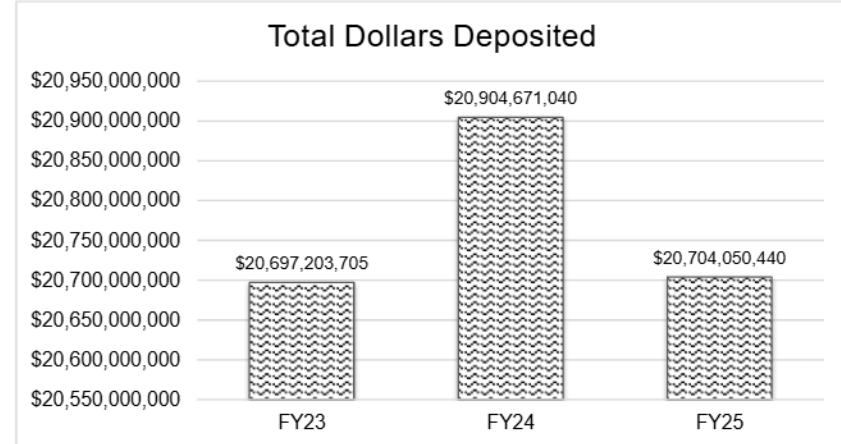
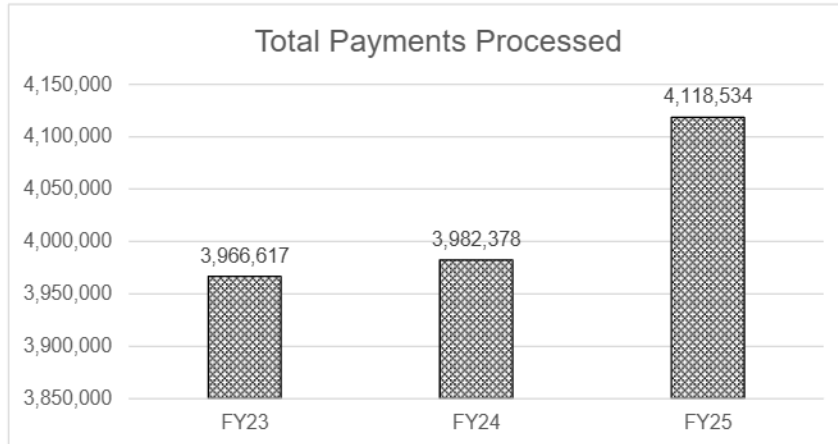
Department of Revenue

AB Section(s): 4.010

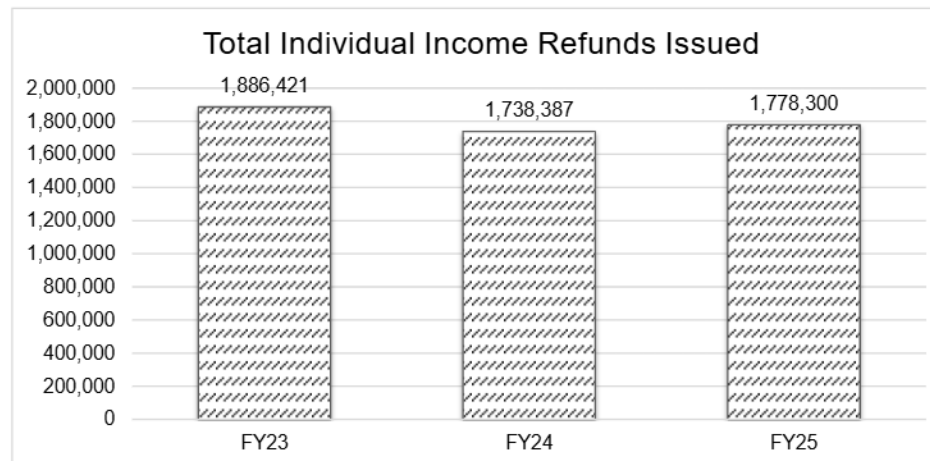
Program Name - Integrated Tax System

Program is found in the following core budget(s): Integrated Tax System

iii. Payments and Dollars Deposited through the Integrated Tax System



iv. Refunds Issued through the Integrated Tax System



PROGRAM DESCRIPTION

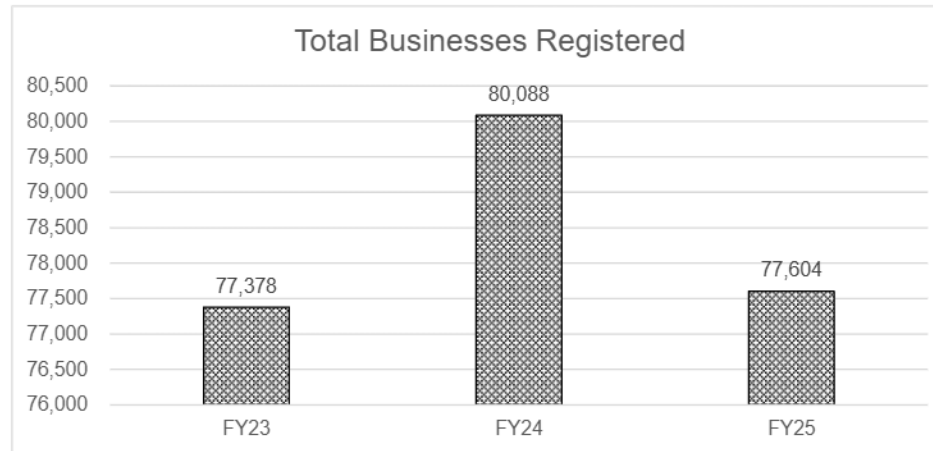
Department of Revenue

AB Section(s): 4.010

Program Name - Integrated Tax System

Program is found in the following core budget(s): Integrated Tax System

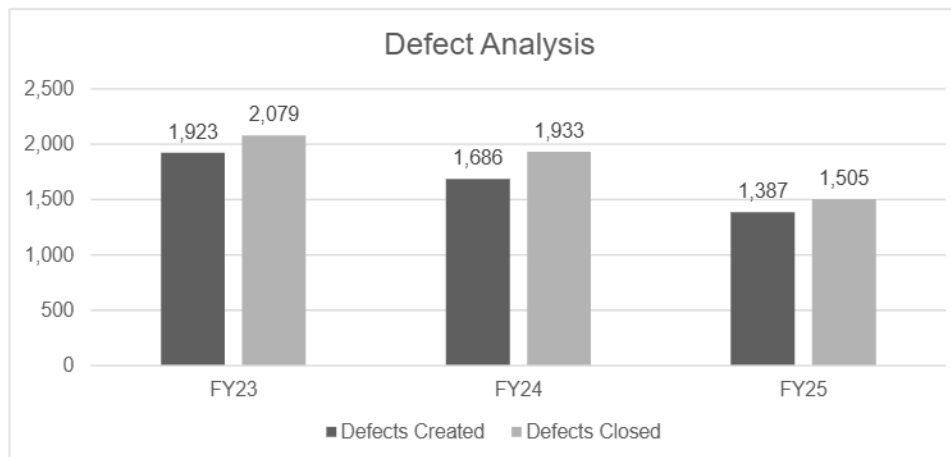
v. Businesses Registered through the Integrated Tax System



2b. Provide a measure(s) of the program's quality.

i. Defect Analysis

The Integrated Tax System consists of hundreds of thousands of individual business rules. The Department and the vendor have dedicated over 10 years to developing various functions, coding them, and ensuring accurate operational output. During the implementation of the integrated system, we have faced numerous defects. A defect can be as minor as a misplaced comma on a notice or as significant as a tax rate affecting millions of filers. Changes required to implement new legislation and improve functionality are also categorized as defects. The data below shows the number of defects created and resolved in the relevant years.



PROGRAM DESCRIPTION

Department of Revenue

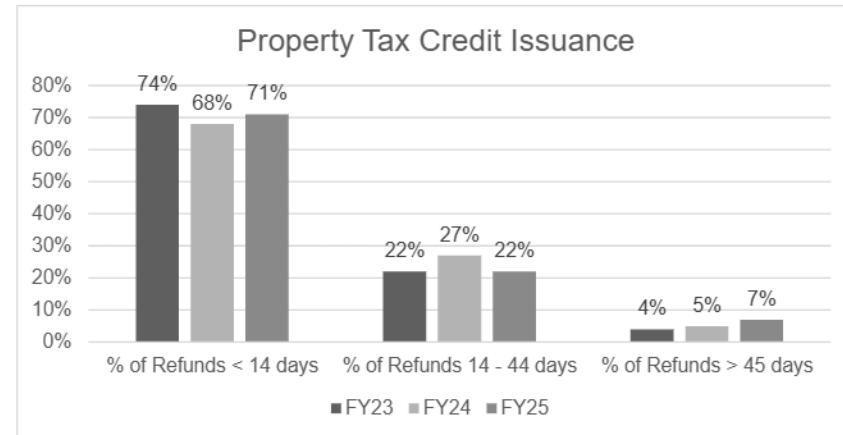
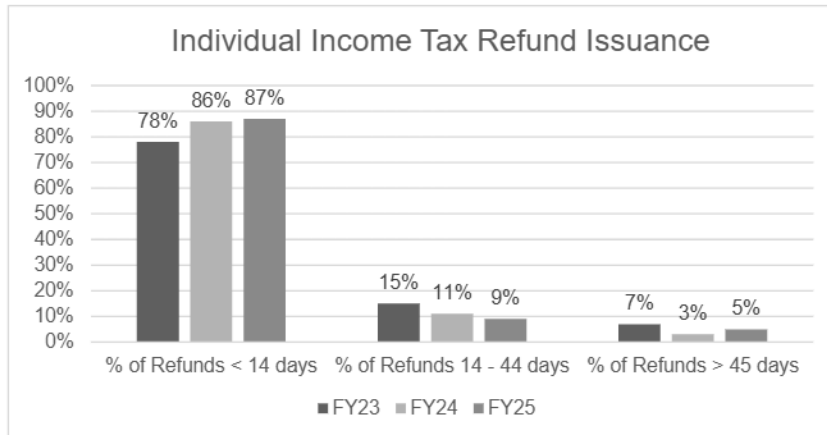
AB Section(s): 4.010

Program Name - Integrated Tax System

Program is found in the following core budget(s): Integrated Tax System

ii. Refund Turnaround Time

The Integrated Tax System is crucial for the timely processing of approximately 1.9 million individual income tax refunds and property tax credits each year. Approximately 11 percent of the refund claims require a manual review process, which can delay the issuance of the refunds. The information below reflects the volumes and percentages of refunds issued in the applicable timeframes.



PROGRAM DESCRIPTION

Department of Revenue

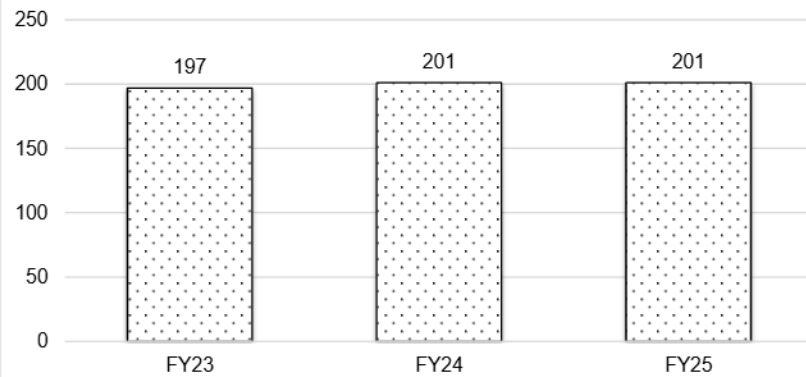
AB Section(s): 4.010

Program Name - Integrated Tax System

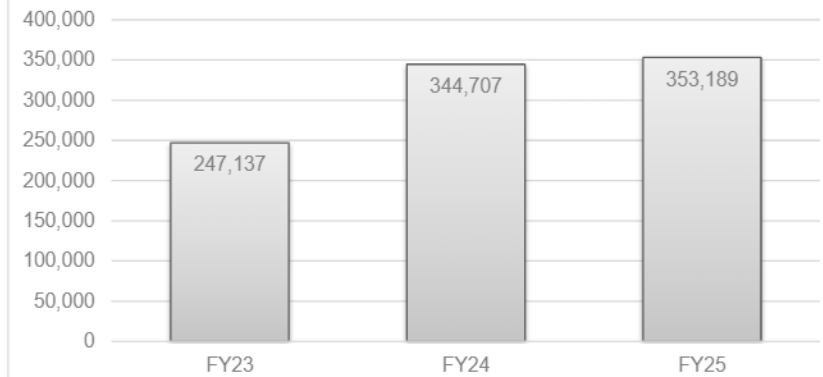
Program is found in the following core budget(s): Integrated Tax System

2c. Provide a measure(s) of the program's impact.

Average Number of Users



Average Number of Daily Transactions



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.010

Program Name - Integrated Tax System

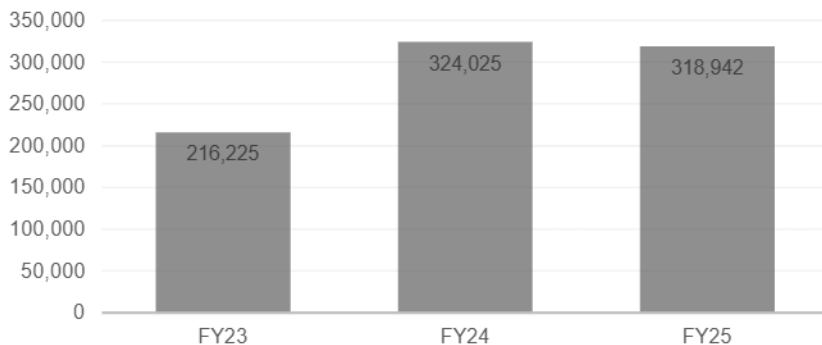
Program is found in the following core budget(s): Integrated Tax System

2d. Provide a measure(s) of the program's efficiency.

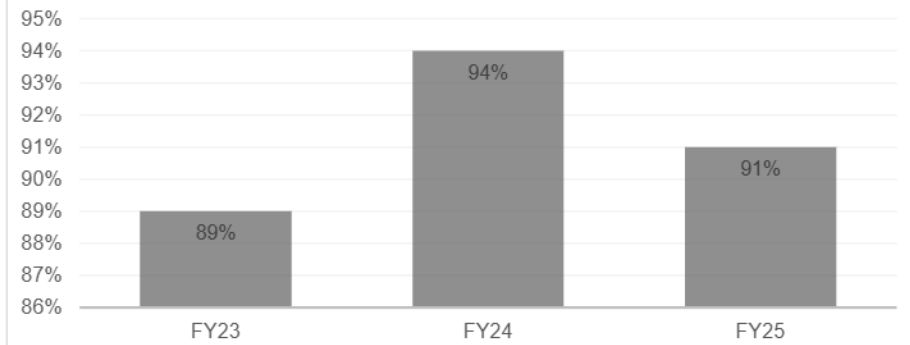
There are a number of components of the Integrated Tax System that make it more efficient than our previous legacy systems. Items include:

- 1) **Reduced time to educate new employees** - nearly 50% decrease, in certain situations.
- 2) **Ability to cross educate staff in multiple areas of the system** - the Department's cross training efforts have continued to increase each year since the inception of the integrated system.
- 3) **Ability to target work based on skill level of the team member** - the Department is able to utilize temporary staff to review sales tax exceptions.
- 4) **Electronic images of tax returns, payments, and correspondence available in host system** - this will ultimately reduce the total paper stored by the Department and reduce handoffs between work areas.
- 5) **Tax staff can easily extract data from the system** - this lessens our dependence on IT staff and provides us a greater ability to improve processes.

Average Number of Daily Transactions Completed in Less than 3 Seconds



Percent of Transactions Completed in Less Than 3 Seconds



PROGRAM DESCRIPTION

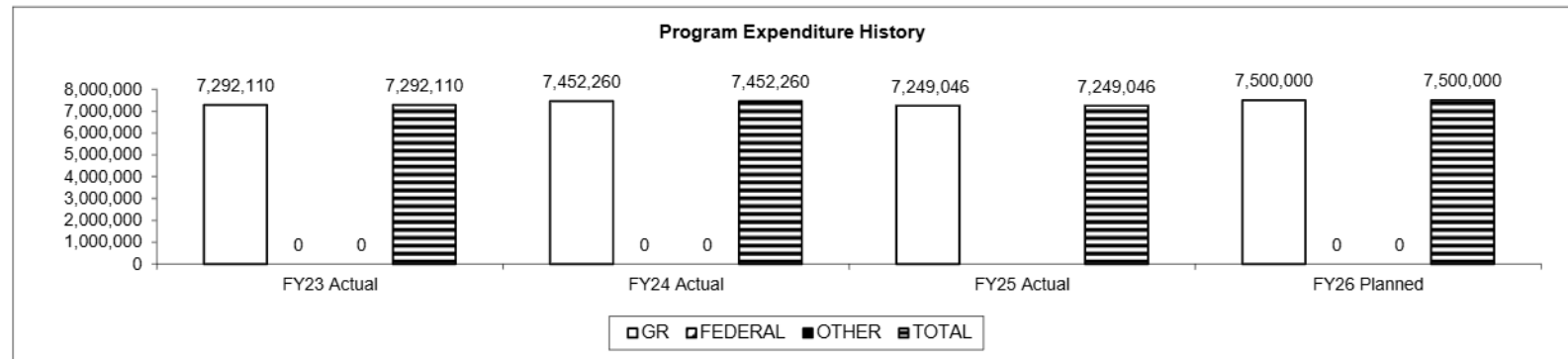
Department of Revenue

AB Section(s): 4.010

Program Name - Integrated Tax System

Program is found in the following core budget(s): Integrated Tax System

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

N/A

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

N/A

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.005, 4.015

Program Name: **Compliance and Investigation Bureau**

Program is found in the following core budget(s): **Motor Vehicle and Driver Licensing Division**

1a. What strategic priority does this program address?

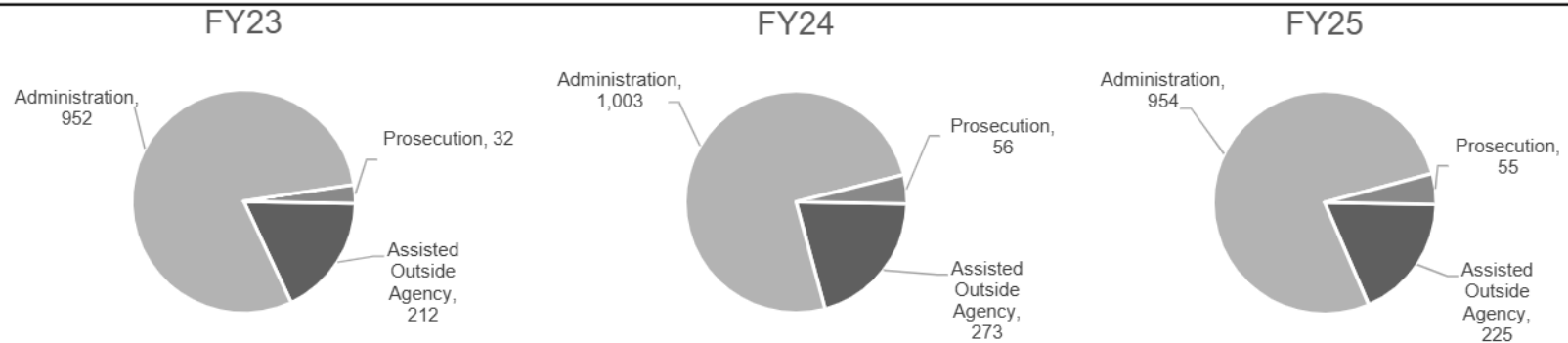
Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; Partnerships; IT Roadmap

1b. What does this program do?

The Compliance and Investigation Bureau (CIB) is responsible for creating and maintaining a climate of voluntary compliance to help citizens and businesses meet their statutory requirements by investigating complaints relating to fraudulent activities involving motor vehicle, trailer, motorcycle, ATV, manufactures, marine/watercraft sales tax, titling and registration, odometers, driver licenses, license plates, and dealership compliance. The CIB is also responsible for the oversight of Missouri dealer licensing and ensuring that dealer compliance with regulations is followed through administrative proceedings. The CIB processes new dealer applications as well as the renewal of existing dealer license holders that are expiring. Additionally, the CIB receives and processes a variety of dealer-related questions and concerns, including technical difficulties with the systems that dealers utilize. It also reviews dealer-related complaints on behalf of Missouri citizens that are forwarded to CIB for investigation when necessary.

2a. Provide an activity measure(s) for the program.

Compliance Investigations By Type



PROGRAM DESCRIPTION

Department of Revenue

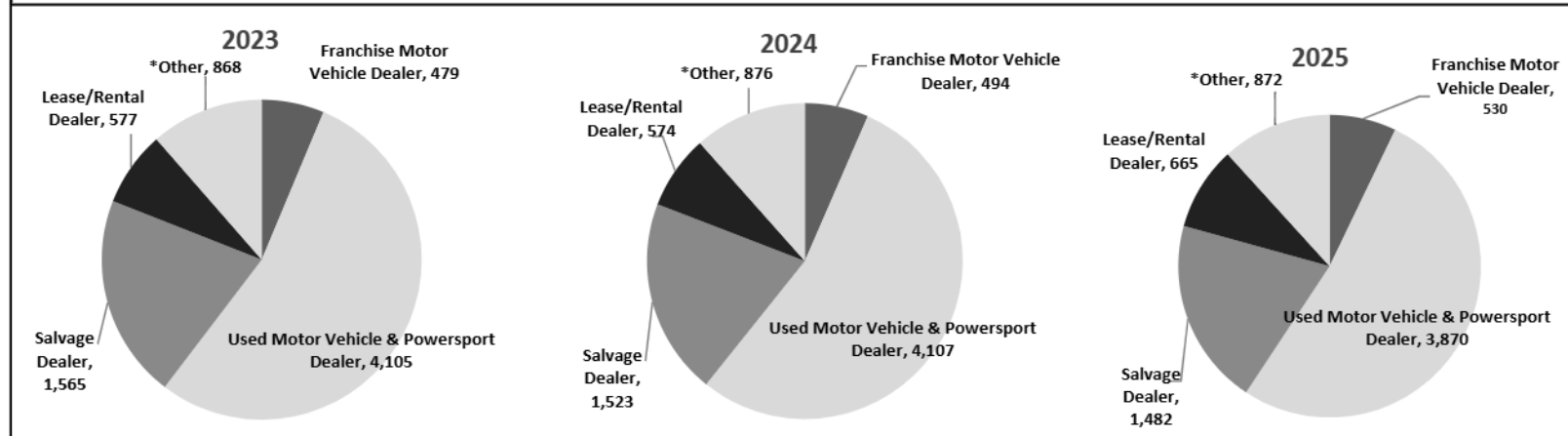
AB Section(s): 4.005, 4.015

Program Name: **Compliance and Investigation Bureau**

Program is found in the following core budget(s): **Motor Vehicle and Driver Licensing Division**

2a. Provide an activity measure(s) for the program. (cont'd).

Active Business Licenses By Type



* The other business license category include vehicle, manufactures, boat, trailer, new powersport dealers, recreational motor vehicle dealer, title services, transportation network company, wholesale motor vehicles, and public motor vehicle auctions.

PROGRAM DESCRIPTION

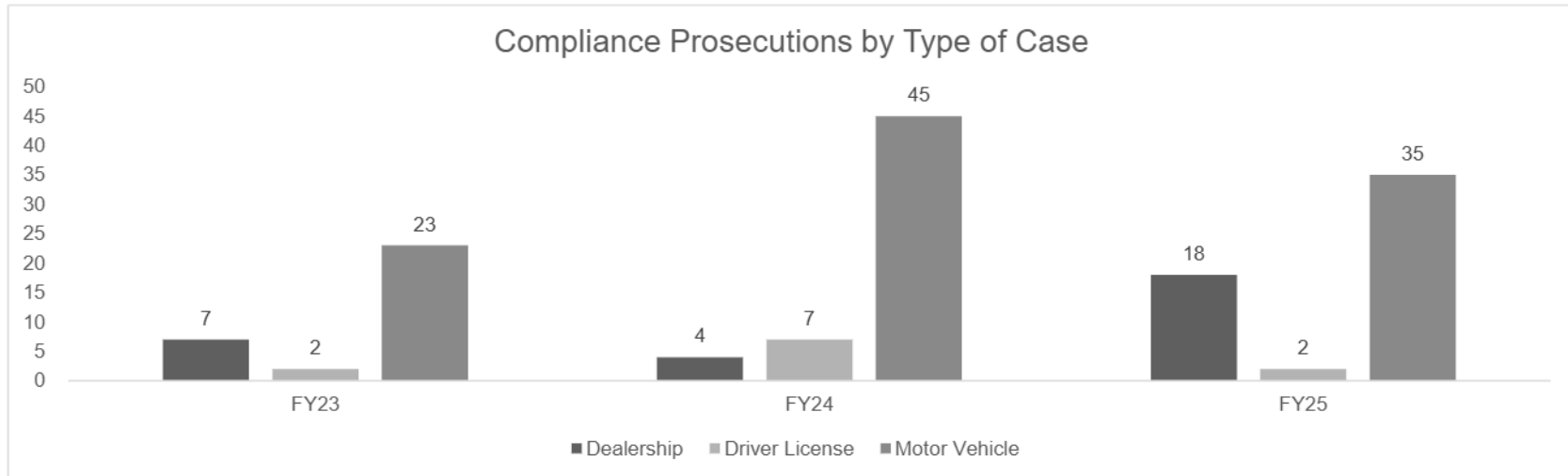
Department of Revenue

AB Section(s): 4.005, 4.015

Program Name: **Compliance and Investigation Bureau**

Program is found in the following core budget(s): **Motor Vehicle and Driver Licensing Division**

2b. Provide a measure(s) of the program's quality.



PROGRAM DESCRIPTION

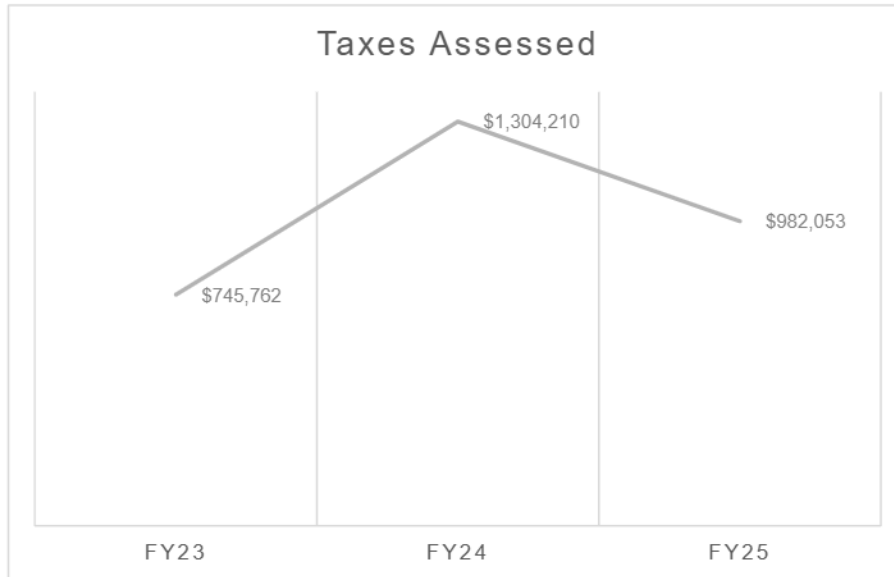
Department of Revenue

AB Section(s): 4.005, 4.015

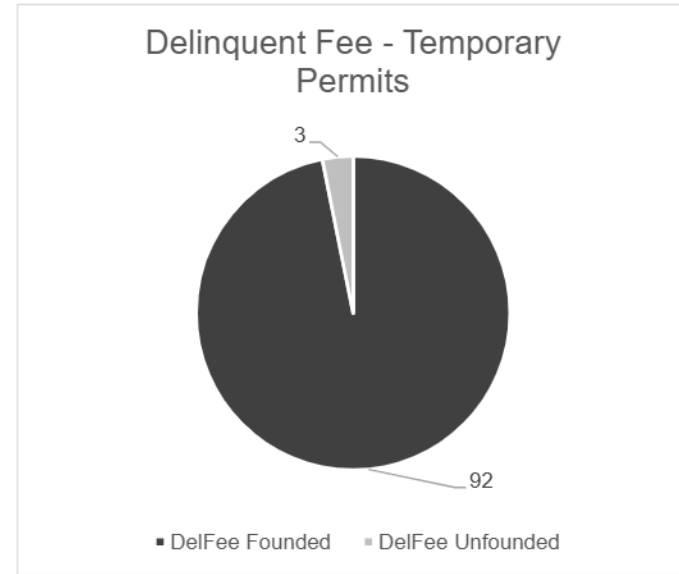
Program Name: Compliance and Investigation Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2c. Provide a measure(s) of the program's impact.



These taxes are related to motor vehicle sales.



CIB reviewed 95 cases in total which produced \$614,624.44 in assessments.

PROGRAM DESCRIPTION

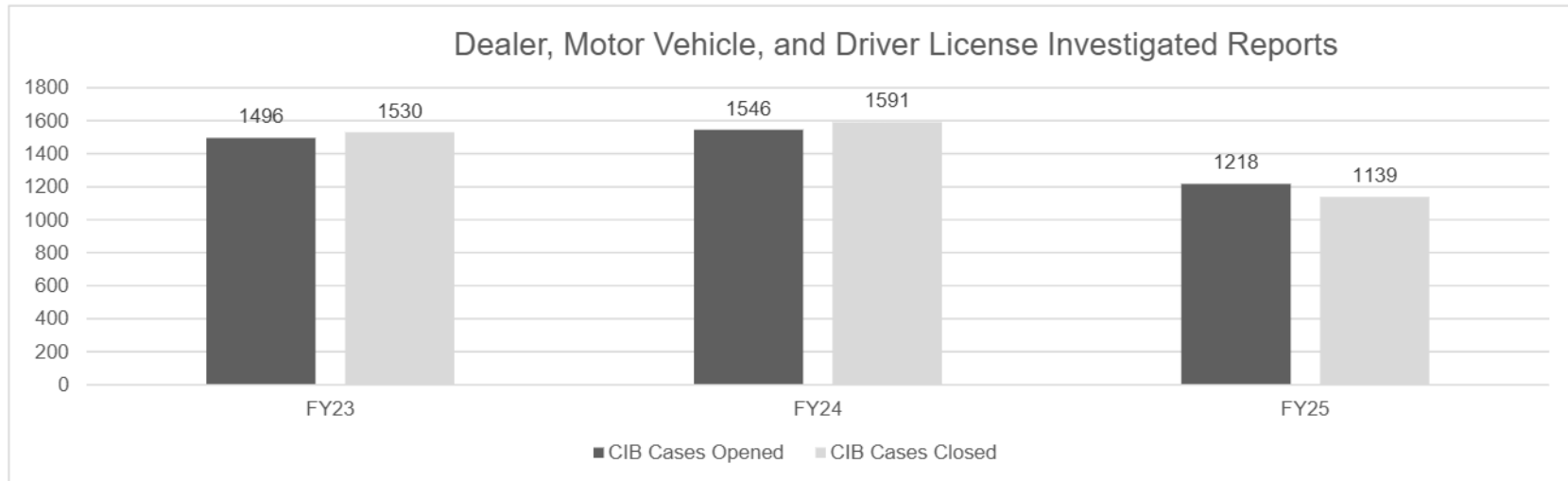
Department of Revenue

AB Section(s): 4.005, 4.015

Program Name: **Compliance and Investigation Bureau**

Program is found in the following core budget(s): **Motor Vehicle and Driver Licensing Division**

2d. Provide a measure(s) of the program's efficiency.



The responsibilities of the red-fuel and cigarette tax were transitioned from the CIB to the Compliance Tax Investigation Bureau (CTIB) on 6/1/2025.

PROGRAM DESCRIPTION

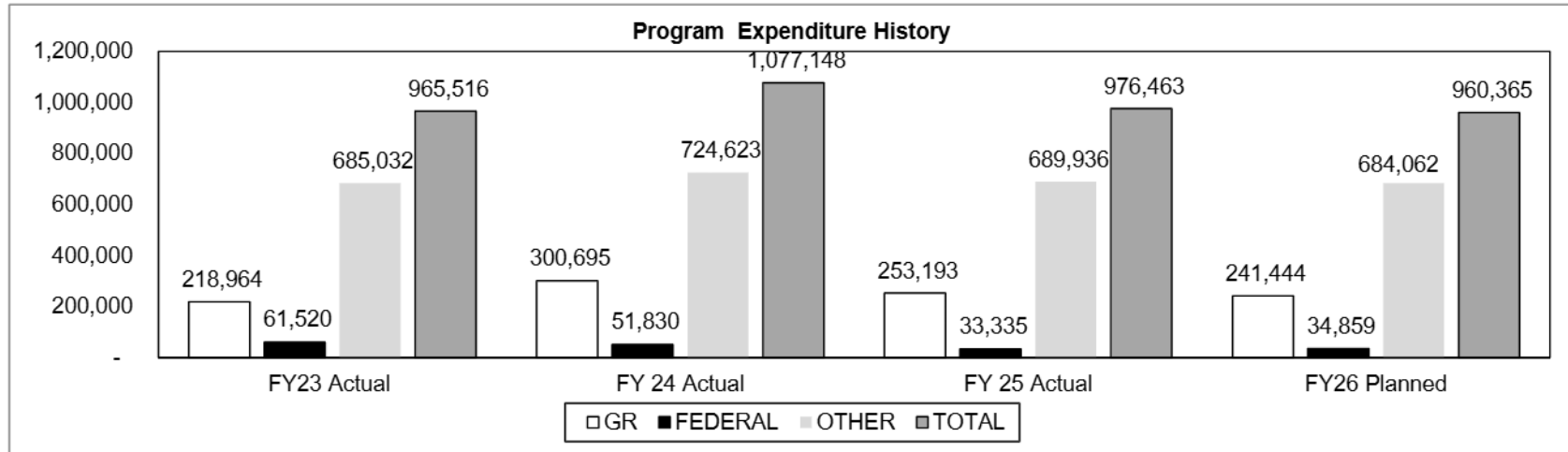
Department of Revenue

AB Section(s): 4.005, 4.015

Program Name: Compliance and Investigation Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

Motor Vehicle Commission Fund (0588), State Highways and Transportation Department Fund (0644)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri Constitution, Article IV, Sections 12 and 22, Chapters 32, 136, 144, 154, 301, 306, 407.810-407.835 RSM.

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.005 and 4.015

Program Name - Driver License Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

1a. What strategic priority does this program address?

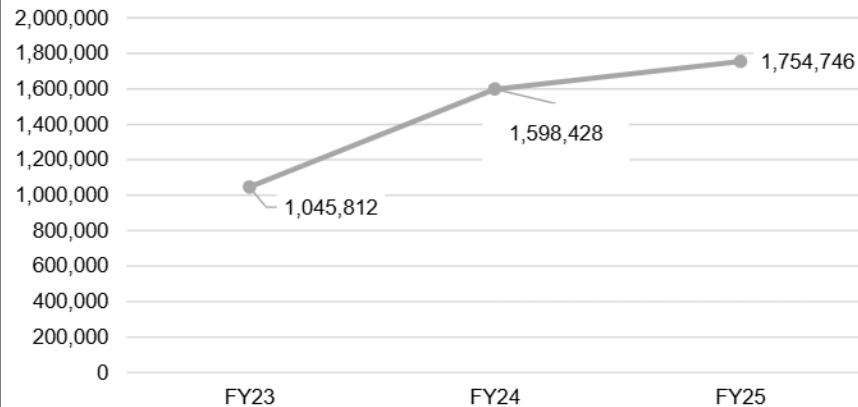
Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; Partnerships; IT Roadmap

1b. What does this program do?

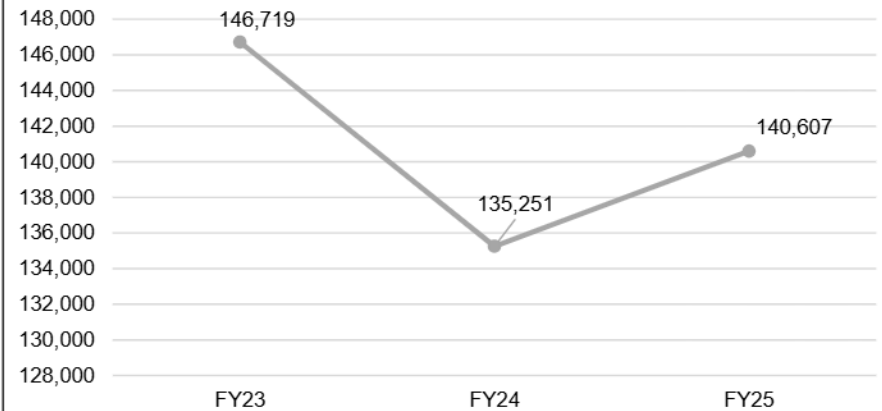
The Driver License Bureau (DLB) issues new and renewal driver licenses, permits, nondriver identification cards and commercial driver licenses. Missourians have an option to get a REAL ID driver license or a Non-REAL ID driver license. The DLB processes and maintains driver records relating to the withdrawal of a citizens driving privilege. Withdrawals, include but are not limited to, traffic violations, point assessments, failure to appear in court violations, administrative driving while intoxicated, chemical refusals, accidents, etc. Additionally, the DLB assists Missouri citizens through phone calls, correspondence and emails. The DLB also monitors and audits commercial driver license third party testers in partnership with the Missouri State Highway Patrol.

2a. Provide an activity measure(s) for the program.

Driver & Non-Driver ID's Issued



Suspensions & Revocations



PROGRAM DESCRIPTION

Department of Revenue

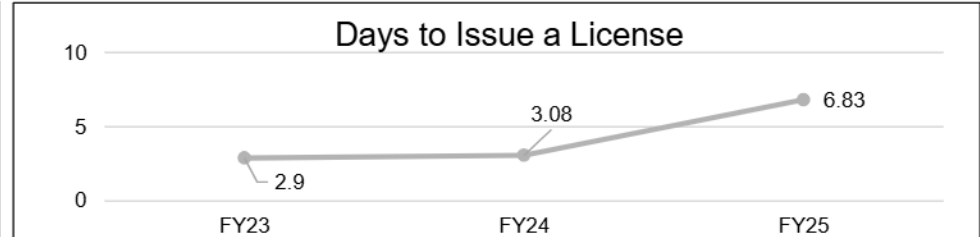
AB Section(s): 4.005 and 4.015

Program Name - Driver License Bureau

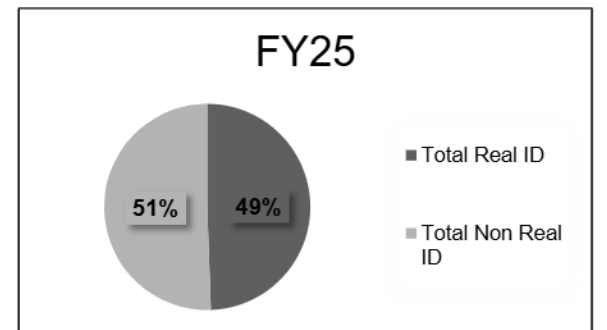
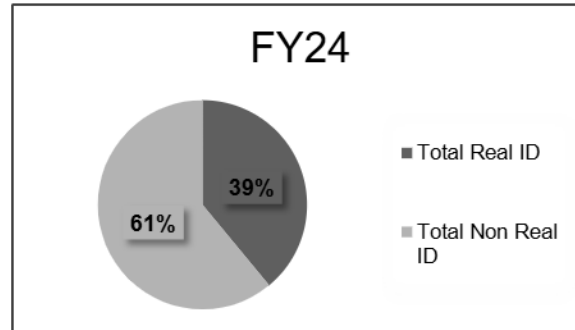
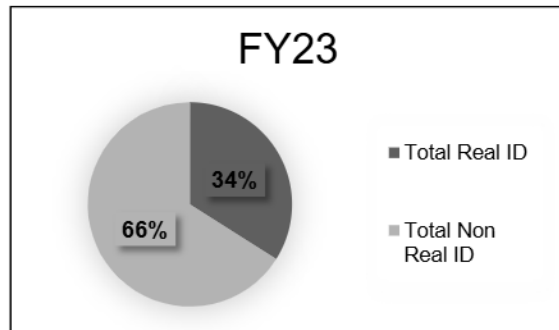
Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2b. Provide a measure(s) of the program's quality.

The target for the number of days to issue a license is contractual with the vendor. Except in extraordinary circumstances, if they do not issue a driver license or non-driver identification card within three days, DOR collects liquidated damages. In FY25, DOR issued 1,745,453 driver and non-driver ID's. Please note, the implementation of the new integrated system related to driver services resulted in a temporary increase in turnaround times. This is an expected part of the transition period, and we anticipate a return to standard processing times.



Real vs. NonReal IDs



This pie chart shows the percentage of Missourians with Real ID vs Non Real IDs. Real ID went effective May 7, 2025.

PROGRAM DESCRIPTION

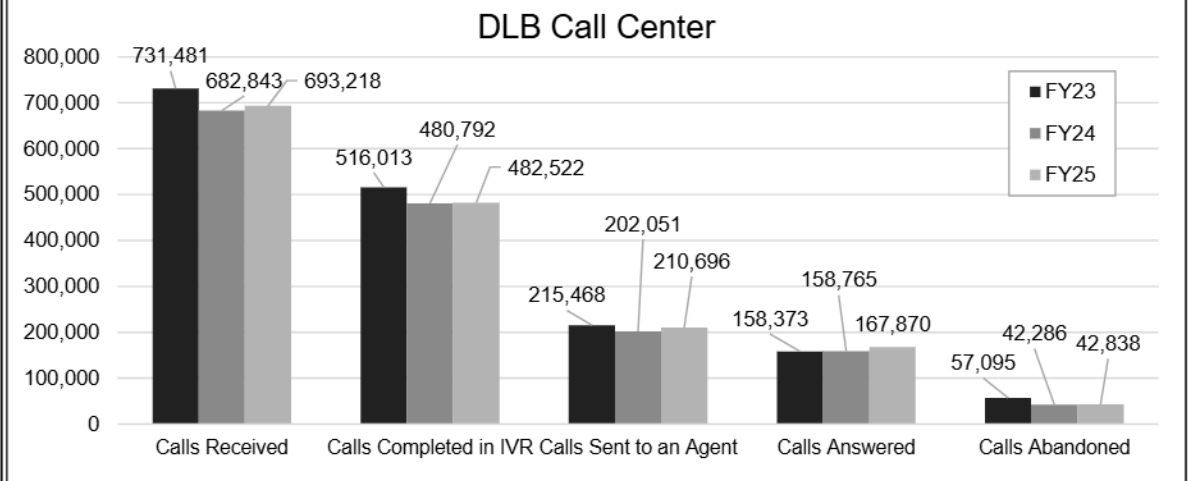
Department of Revenue

AB Section(s): 4.005 and 4.015

Program Name - Driver License Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

In FY21, DOR implemented a new phone system with an enhanced Interactive Voice Response (IVR) which has decreased the number of calls routed to an agent. The new system allows more calls to be handled through our IVR, improving customer service and reducing the number of calls to team members. In FY25, approximately 70 percent of calls received by the Driver License Bureau were completed within the new IVR. Another feature of the phone system is a virtual hold. Callers with a wait time over 10 minutes have the option to receive a callback in lieu of waiting on the line. The system holds their place in line and initiates the call back to the customer when it is their turn. The callback function has aided in the reduction of abandoned calls. On 12/21/22, the Department began promoting the option to chat with a live agent utilizing our current chatbot, DORA. In FY25, the Driver License Bureau answered 29,177 chats with an average wait time of 40 seconds.



PROGRAM DESCRIPTION

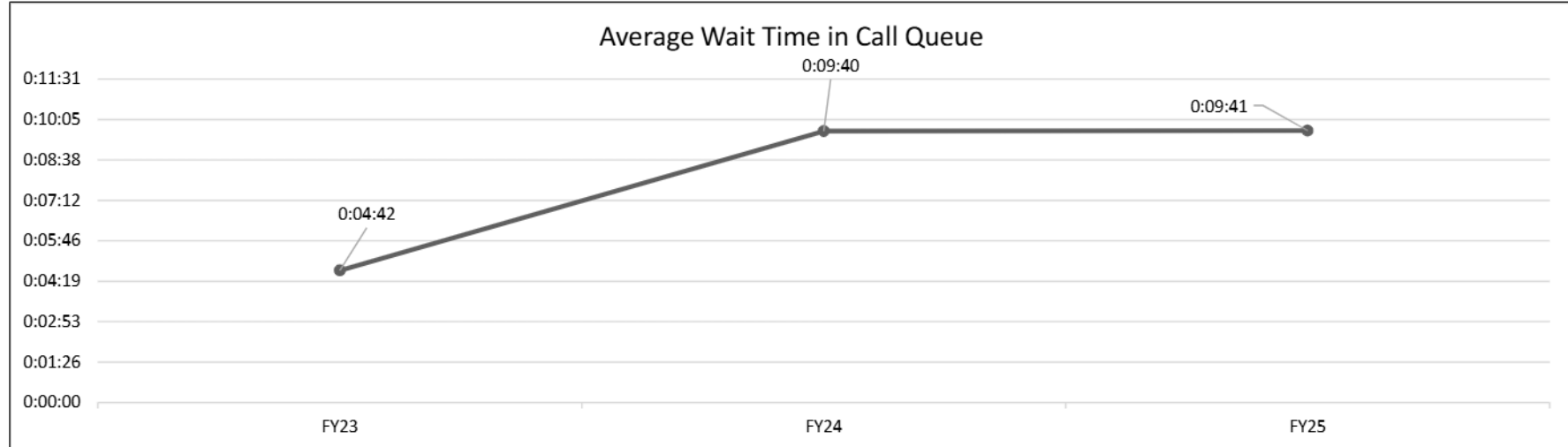
Department of Revenue

AB Section(s): 4.005 and 4.015

Program Name - Driver License Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2b. Provide a measure(s) of the program's quality. (cont'd)



PROGRAM DESCRIPTION

Department of Revenue

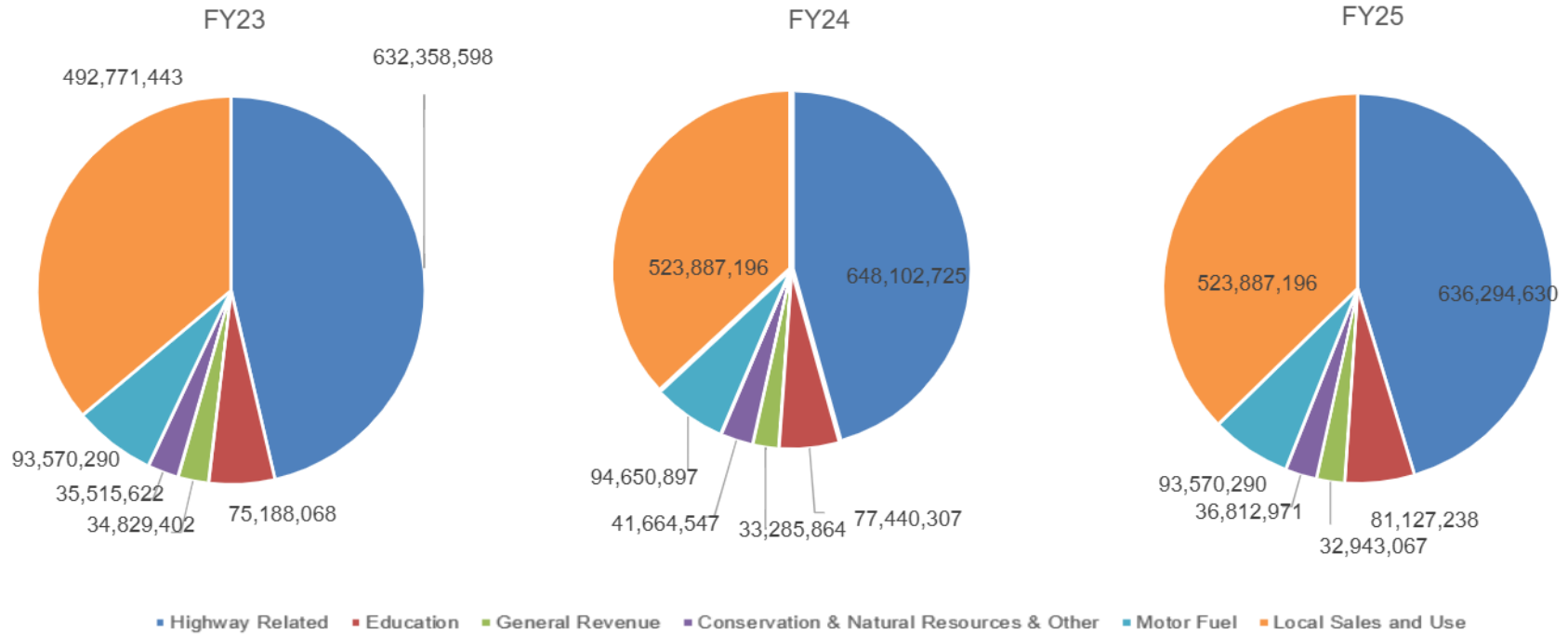
AB Section(s): 4.005 and 4.015

Program Name - Driver License Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2c. Provide a measure(s) of the program's impact.

The Department collects and distributes motor vehicle taxes and driver license fees that fund various state, city and county programs.



PROGRAM DESCRIPTION

Department of Revenue

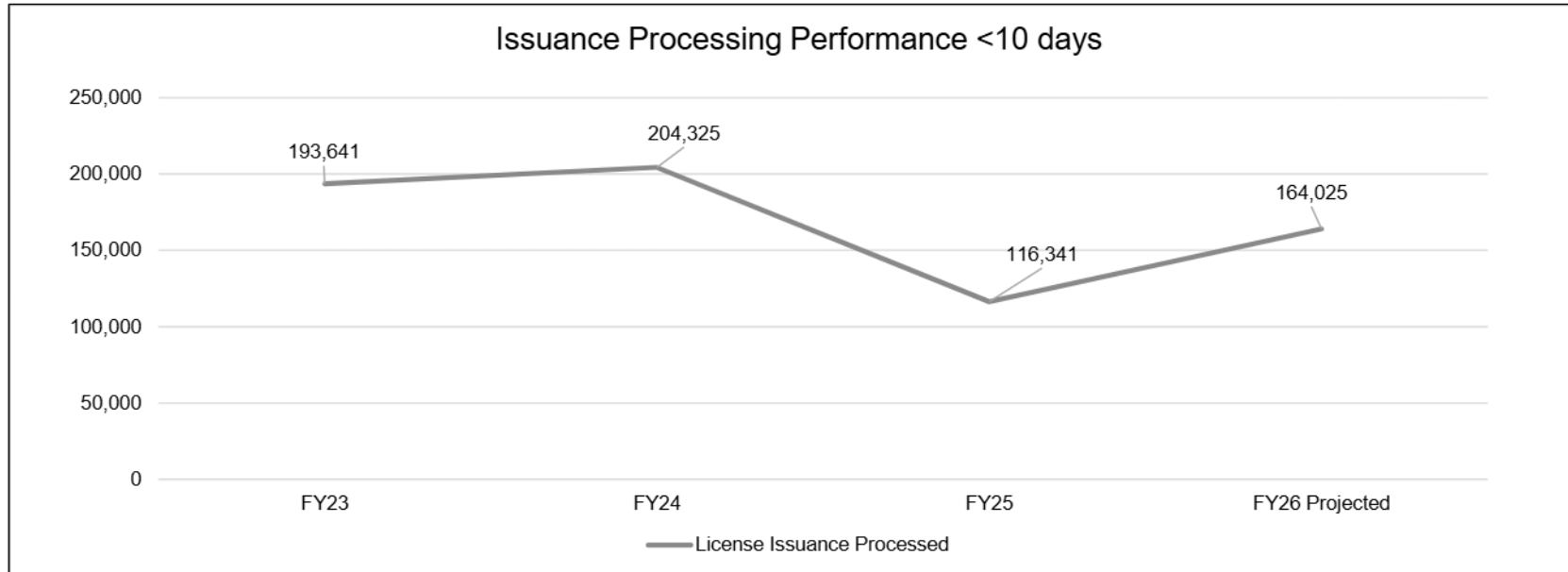
AB Section(s): 4.005 and 4.015

Program Name - Driver License Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2d. Provide a measure(s) of the program's efficiency.

The DLB has staff who process the work received for Issuance, Reinstatement, Suspensions, Revocations, and Accidents. DLB is efficiently using the team members to process the work received within the required timeframes.



PROGRAM DESCRIPTION

Department of Revenue

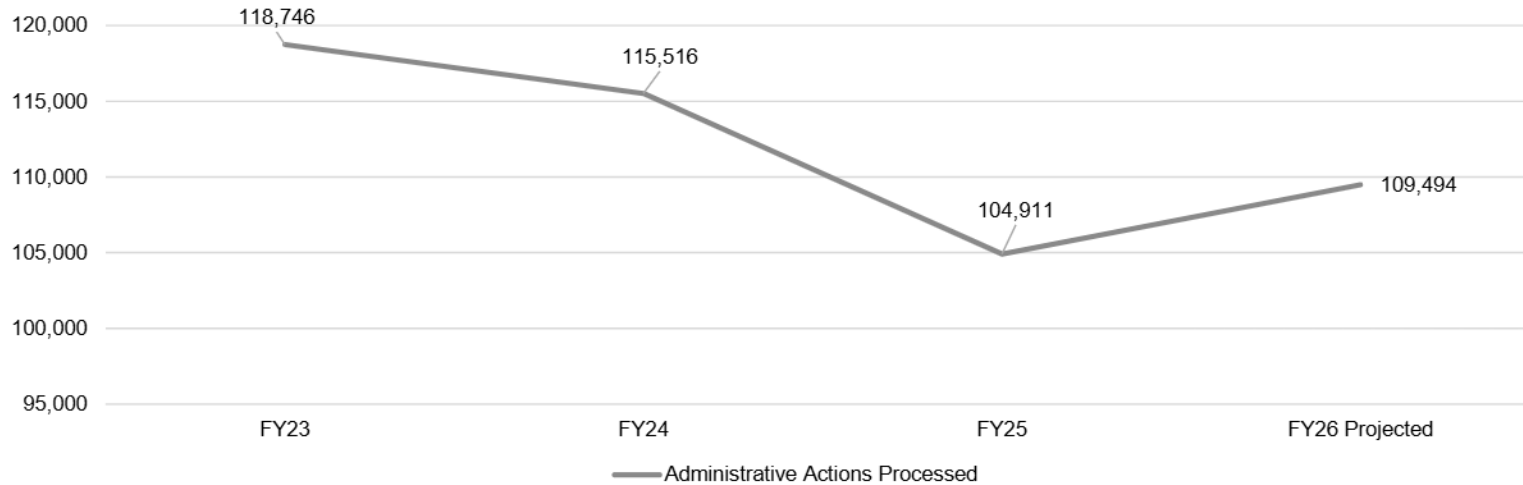
AB Section(s): 4.005 and 4.015

Program Name - Driver License Bureau

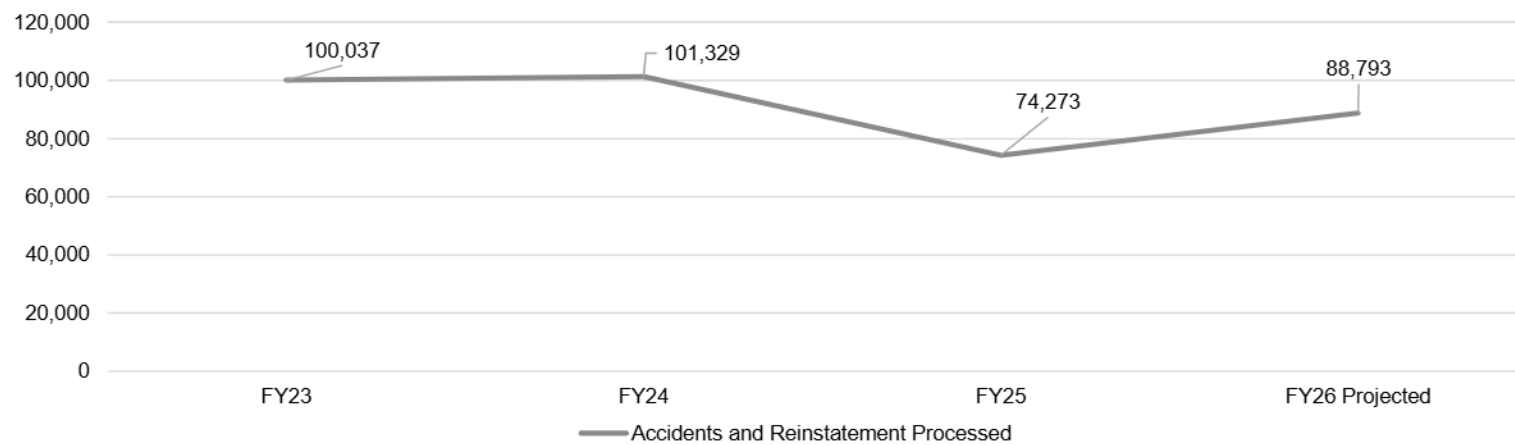
Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2d. Provide a measure(s) of the program's efficiency (cont'd)

Administrative Alcohol Action Performance <10 days



Accidents and Reinstatement Performance <10 Days



PROGRAM DESCRIPTION

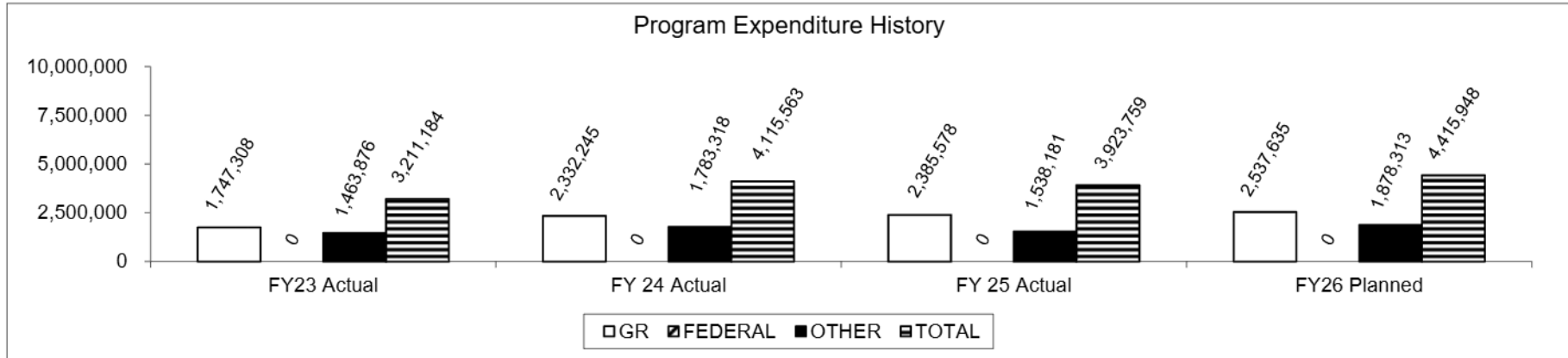
Department of Revenue

AB Section(s): 4.005 and 4.015

Program Name - Driver License Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

State Highways and Transportation Department Fund (0644)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri Constitution, Article IV, Sections 12, 15, 22, and 30; Chapters 32, 144, 154, 301, 302, 303, 306

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.005 and 4.015

Program Name - License Offices Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

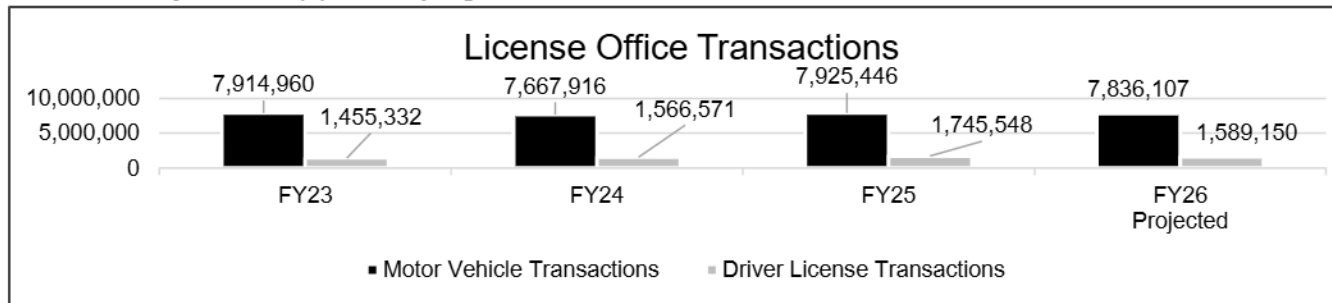
1a. What strategic priority does this program address?

Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; Partnerships; IT Roadmap

1b. What does this program do?

The License Offices Bureau (LOB) competitively bids and manages all 174 contracted license offices throughout the state. The contracted license offices assist Missouri citizens by titling and registering vehicles, trailers, marine/watercraft, motorcycles, manufactured homes and issuing driver licenses, nondrivers and permits and collects appropriate taxes. The LOB monitors, ensures contract compliance, provides assistance and training to the contracted offices.

2a. Provide an activity measure(s) for the program.



PROGRAM DESCRIPTION

Department of Revenue

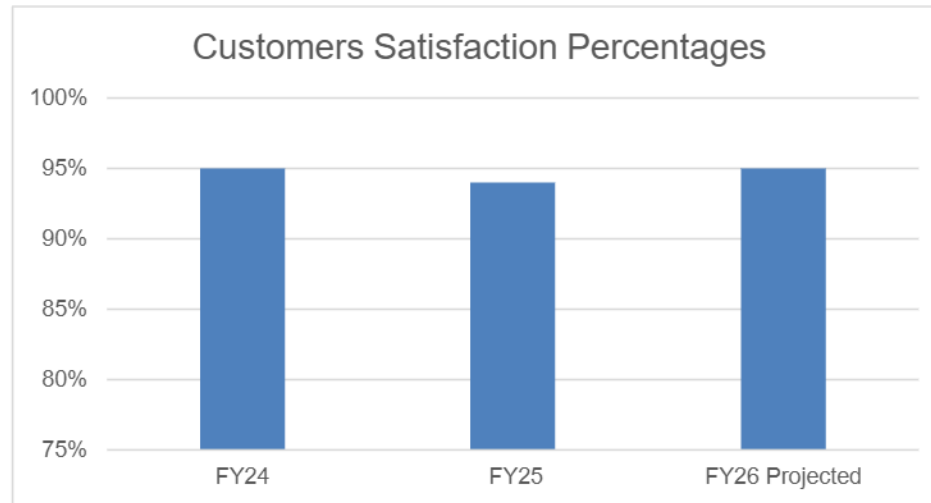
AB Section(s): 4.005 and 4.015

Program Name - License Offices Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2b. Provide a measure(s) of the program's quality.

For quality assurance a customer is able to scan QR codes provided on the transaction receipt, posters in the contracted license office and business cards located at clerk workstations. The QR code opens a survey link that the customer can then complete. The customer survey provides indicators for customer satisfaction for each contracted license office. Missouri citizens who visit a contracted license office throughout the state have the opportunity to complete an electronic customer satisfaction survey. The data is used to analyze staff performance, focus on staff development needs, and compare customer satisfaction between contracted license offices in real time. This in turn helps the Department understand the overall performance of the contracted license offices across the state in meeting the needs of the Missouri citizens.



PROGRAM DESCRIPTION

Department of Revenue

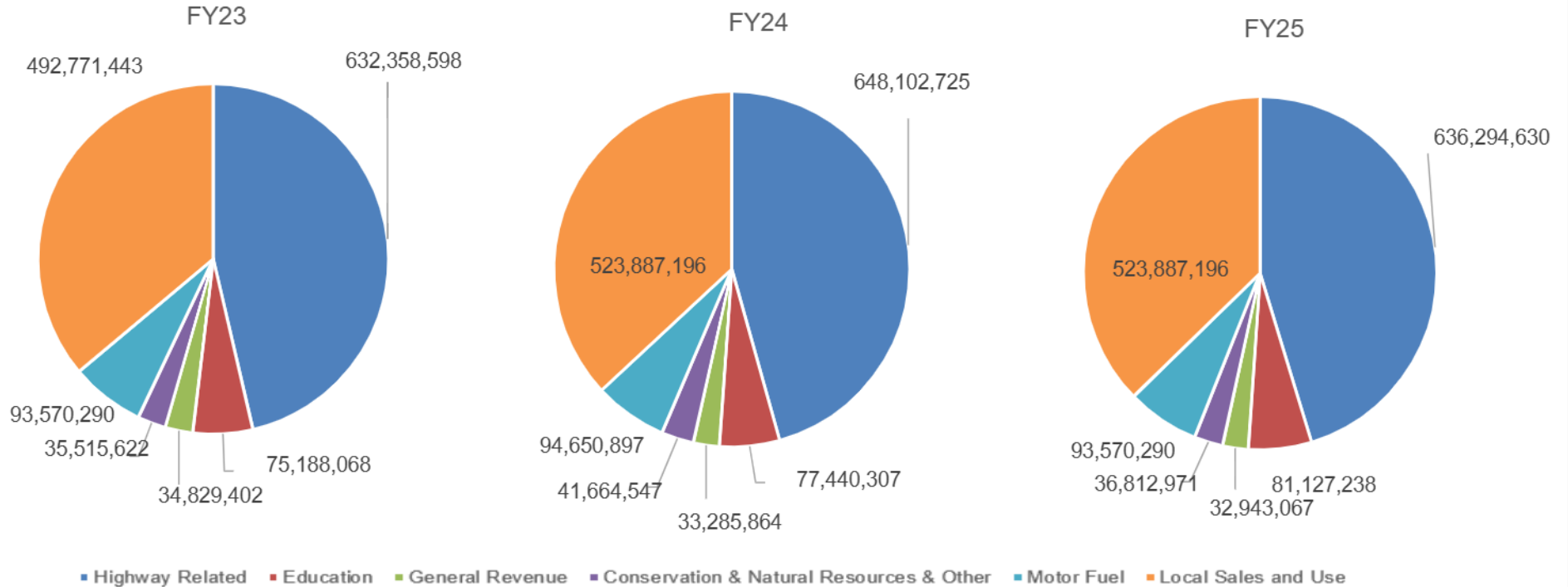
AB Section(s): 4.005 and 4.015

Program Name - License Offices Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2c. Provide a measure(s) of the program's impact.

The Department collects and distributes motor vehicle taxes and driver license fees that fund various state, city and county programs.



PROGRAM DESCRIPTION

Department of Revenue

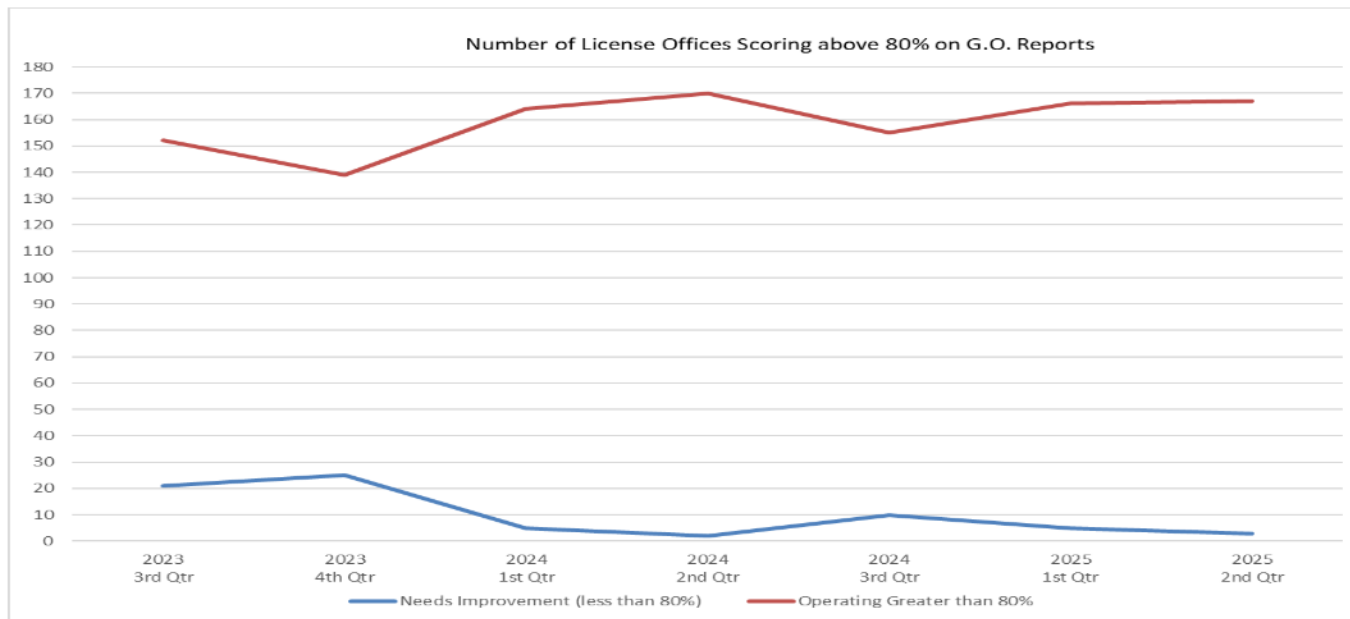
AB Section(s): 4.005 and 4.015

Program Name - License Offices Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2d. Provide a measure(s) of the program's efficiency.

The development of the Performance Based Management Strategy - General Operations Report (G.O. Report) follows the LOB's vision to help contracted license offices succeed. The strategy supports the 174 contracted license offices and the contractors operating those offices, by providing clear guidance and uniform evaluation of the contractual requirements to provide the best customer service. The G.O. Report data is used for targeted training needs of contracted license office staff. Contractors will have an improved understanding of their contractual requirements to avoid deficiencies that may negatively impact Missouri citizens seeking motor vehicle and driver license services.



4th Quarter 2024 - G.O. Reports were not conducted in order to implement and train contracted license office staff for use of the new Driver License system across all contracted license offices.

PROGRAM DESCRIPTION

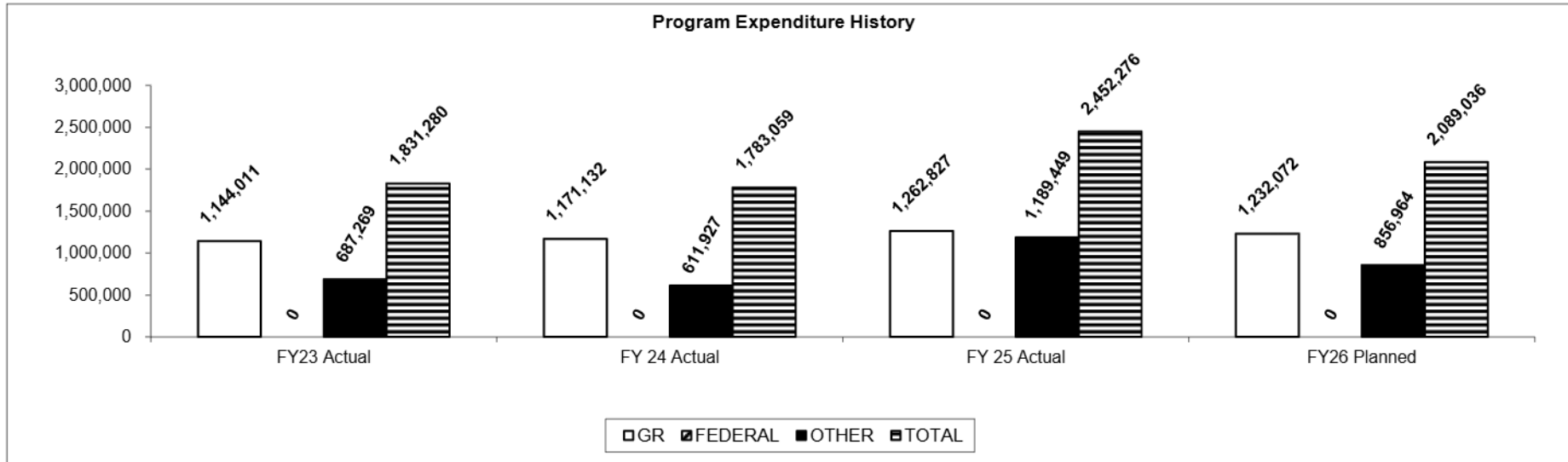
Department of Revenue

AB Section(s): 4.005 and 4.015

Program Name - License Offices Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

DOR Specialty Plate Fund (0775), Motor Vehicle Commission Fund (0588), and State Highways and Transportation Department Fund (0644)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri Constitution, Article IV, Sections 12, 15, 22, and 30; Chapters 32, 144, 154, 301, 302, 303, 306

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION	
Department of Revenue	AB Section(s): 4.005
Program Name - Motor Vehicle Bureau	
Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division	
1a. What strategic priority does this program address? Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; Partnerships; IT Roadmap 1b. What does this program do? The Motor Vehicle Bureau (MVB) issues titles and registers vehicles, motorcycles, trailers, all-terrain vehicles, manufactured homes and marine craft and collects appropriate taxes. The MVB assists Missouri citizens through phone calls, correspondence and emails to ensure the citizen's vehicles, motorcycles, trailers, all-terrain vehicles, manufactured homes and marine craft are properly titled and registered so the citizen can operate their vehicles on the highways and waterways of this state.	

PROGRAM DESCRIPTION

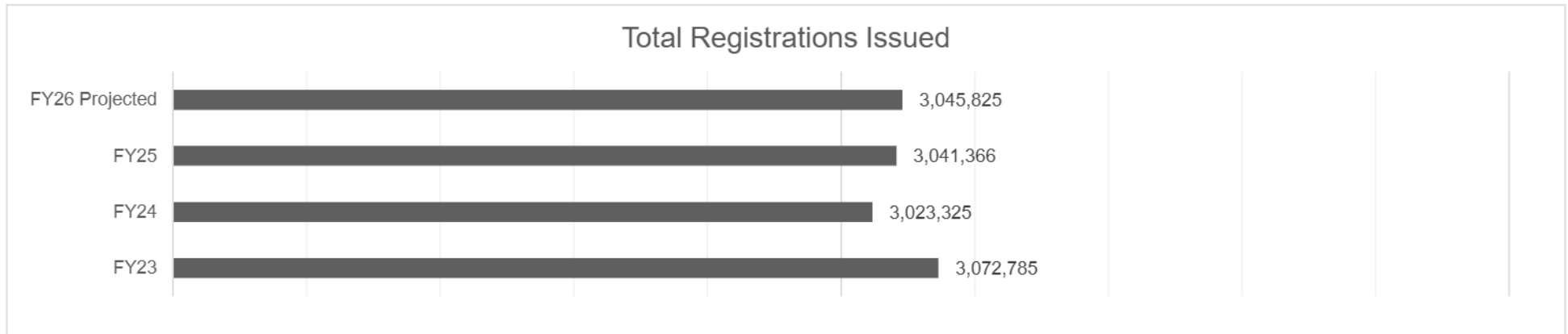
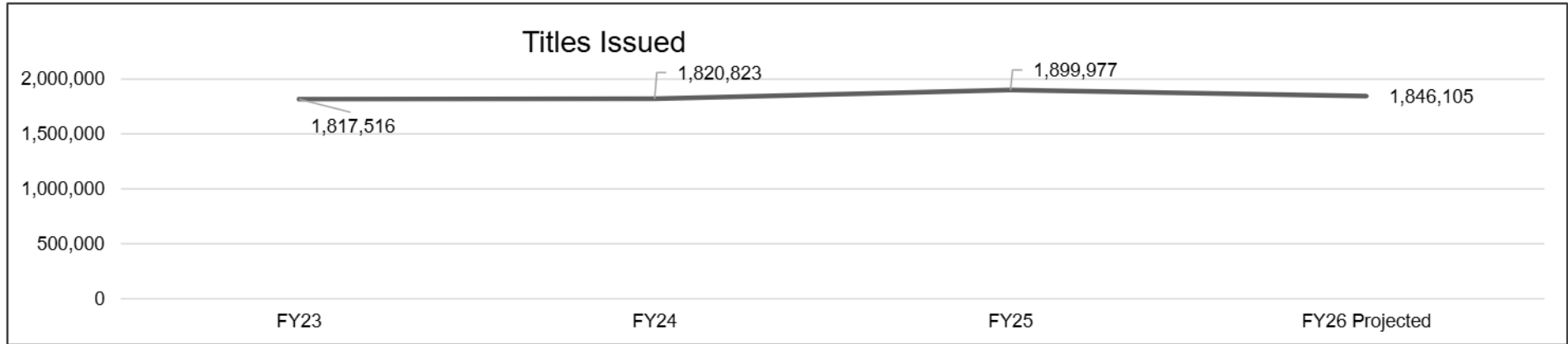
Department of Revenue

AB Section(s): 4.005

Program Name - Motor Vehicle Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2a. Provide an activity measure(s) for the program.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.005

Program Name - Motor Vehicle Bureau

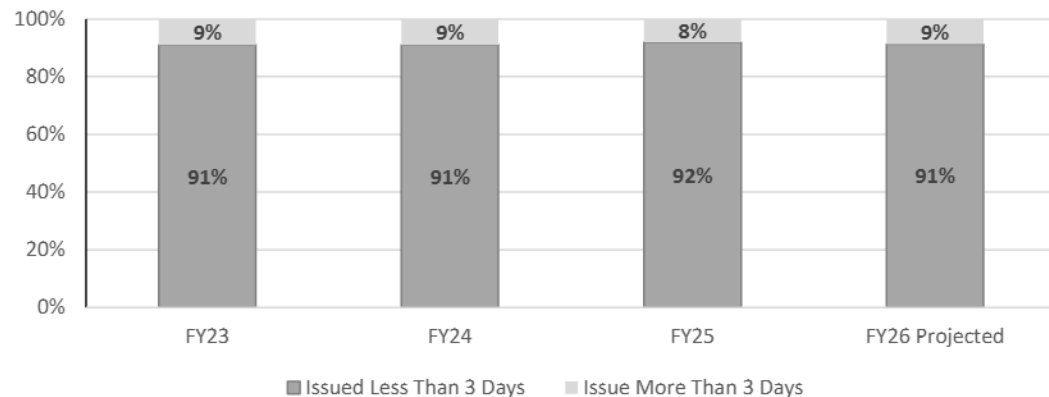
Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2b. Provide a measure(s) of the program's quality.

The target for the number of days to issue a title is three days. The national average for titles to be issued is three to four weeks after title application is received.

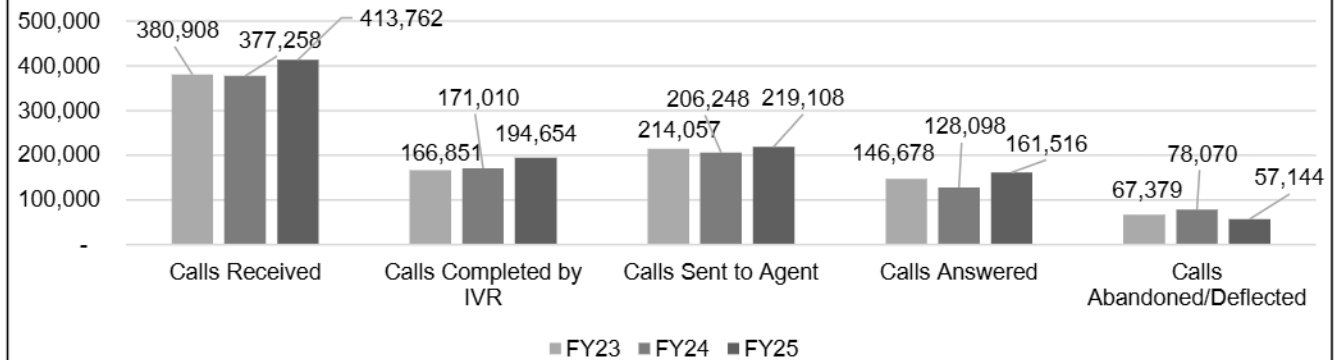
In FY25, the MVB issued 1,899,977 vehicles, motorcycles, trailers, all-terrain vehicles, manufactured homes and marine craft certificate of titles and 92 percent of those (1,747,979) were issued less than three days.

Motor Vehicle and Marine Titles Days to Issue



In FY21, MVB implemented an enhanced Interactive Voice Recognition (IVR) self service phone system which decreased the number of calls handled by a Call Center team member. In FY25, approximately 47 percent of calls (194,654 of 414,014 total calls) received by the MVB were completed through the new IVR system. The MVB has reduced the abandoned rate by approximately 27 percent from FY24 to FY25.

MVB Call Center



PROGRAM DESCRIPTION

Department of Revenue

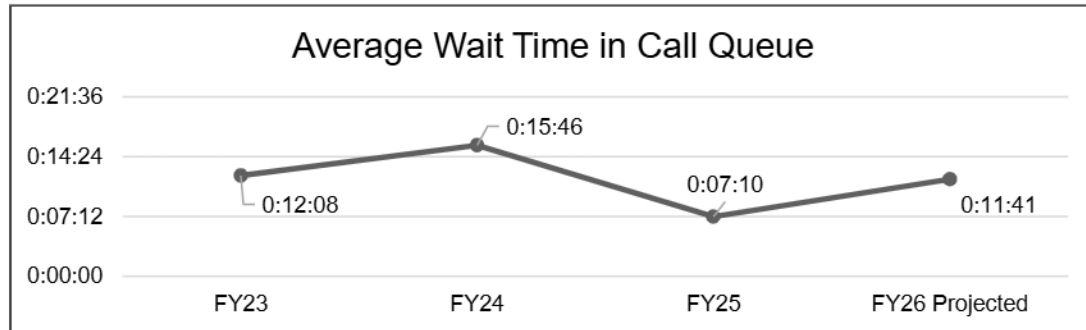
AB Section(s): 4.005

Program Name - Motor Vehicle Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2b. Provide a measure(s) of the program's quality.

The MVB reduced the average wait time in the call queue for customers by approximately eight minutes and 36 seconds from FY24 to FY25.



PROGRAM DESCRIPTION

Department of Revenue

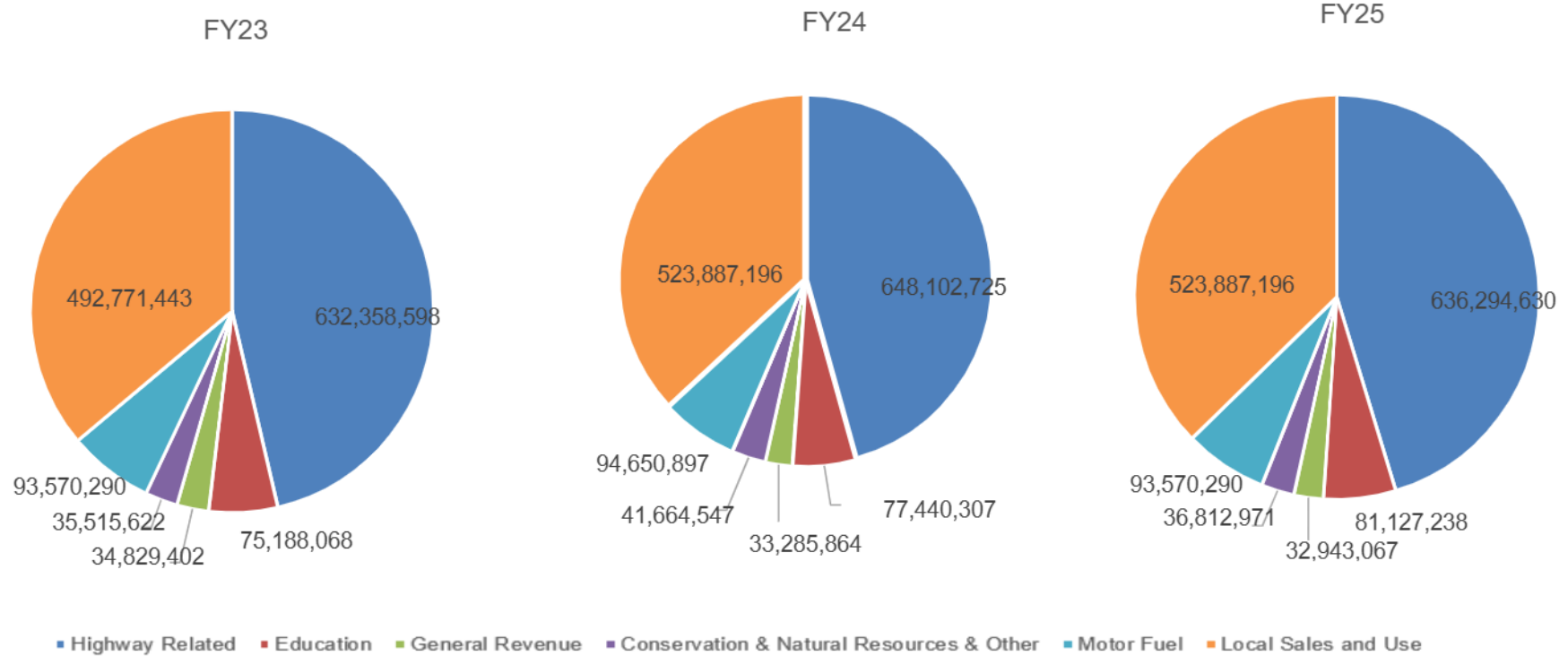
AB Section(s): 4.005

Program Name - Motor Vehicle Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2c. Provide a measure(s) of the program's impact.

The Department collects and distributes motor vehicle taxes and driver license fees that fund various state, city and county programs.



PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.005

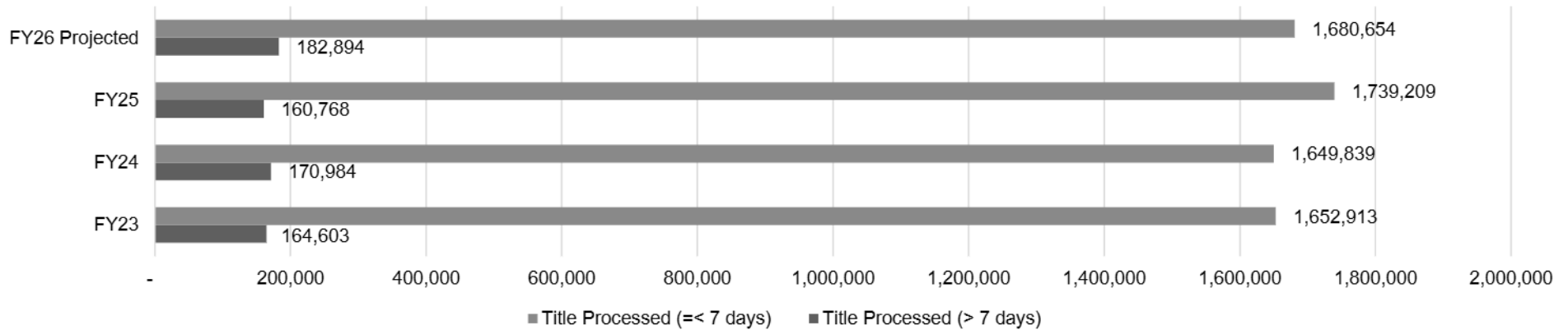
Program Name - Motor Vehicle Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

2d. Provide a measure(s) of the program's efficiency.

The MVB tracks all Missouri title and registration transactions that were processed in the bureau and throughout all contract license offices. In FY25, 92 percent of the 1,899,977 vehicles, motorcycles, trailers, all-terrain vehicles, manufactured homes and marine craft titles issued were processed within three business days.

Title Performance



PROGRAM DESCRIPTION

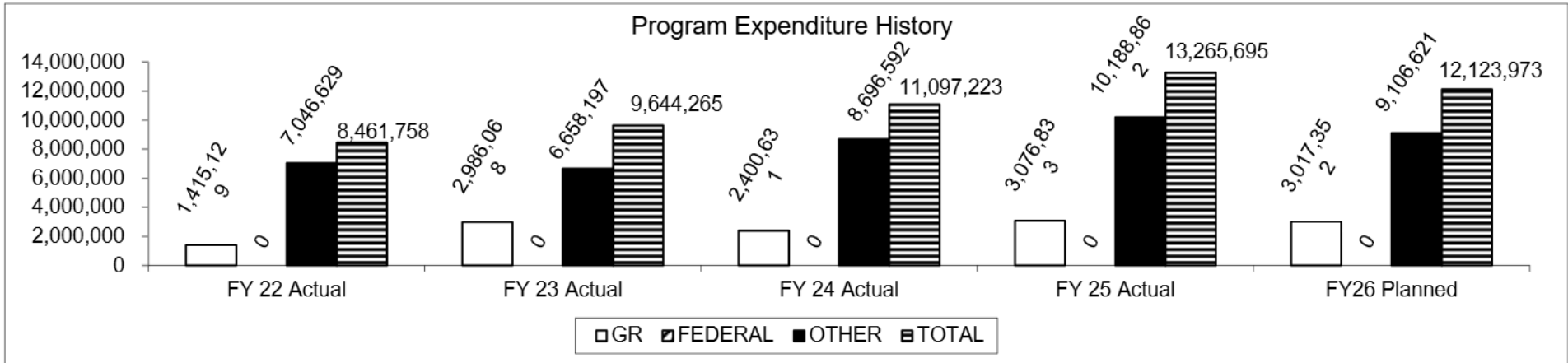
Department of Revenue

AB Section(s): 4.005

Program Name - Motor Vehicle Bureau

Program is found in the following core budget(s): Motor Vehicle and Driver Licensing Division

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

State Highways and Transportation Department Fund (0644), DOR Specialty Plate Fund (0775), Motor Vehicle Commission Fund (0588)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri Constitution, Article IV, Sections 12, 15, 22, and 30; Chapters 32, 144, 154, 301, 302, 303, 306

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.005, 4.020

Program Name General Counsel's Office

Program is found in the following core budget(s): General Counsel's Office

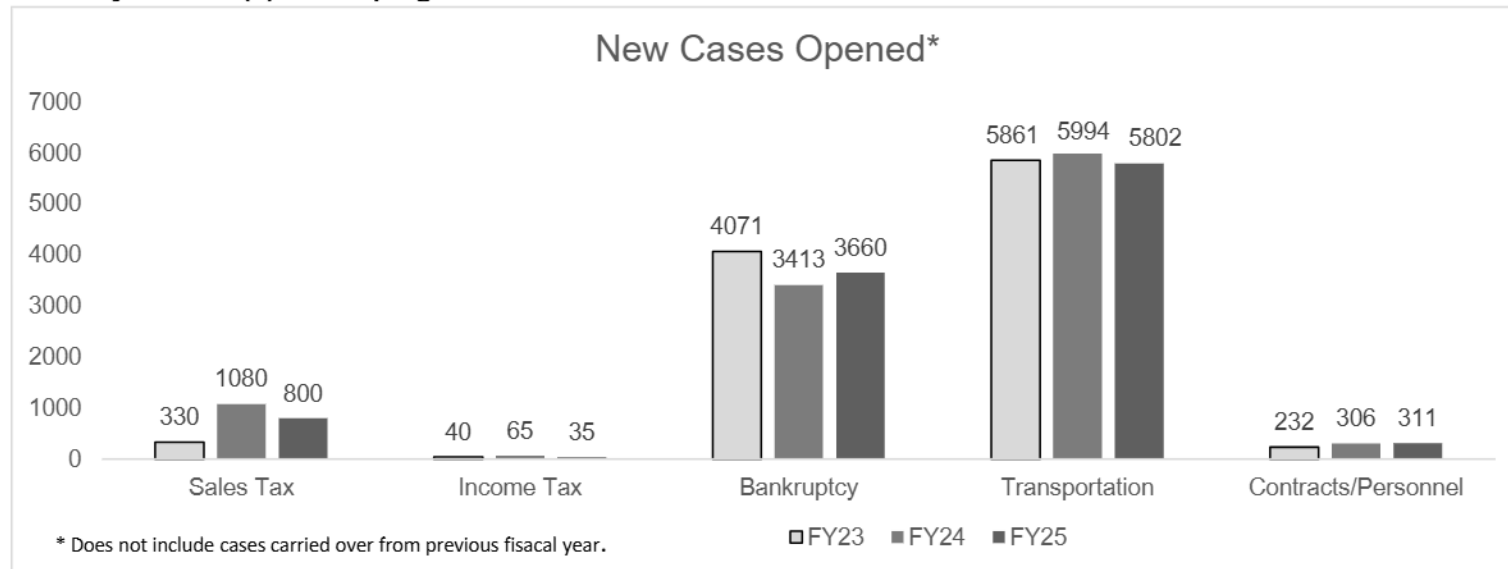
1a. What strategic priority does this program address?

Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; Partnerships; IT Roadmap

1b. What does this program do?

The General Counsel's Office (GCO) provides comprehensive legal support to all operational and support divisions in the Department to assist the divisions in accomplishing the Department's goals and objectives. GCO attorneys and staff provide legal research and advice for the divisions, defend complex litigation before the Administrative Hearing Commission, Missouri circuit courts and federal bankruptcy courts; work with the Attorney General's Office in defending complex litigation involving the Department; prepare legal analysis on pending legislation; draft and review contracts; draft and review administrative rules; administer the Department's compliance with the Sunshine law; advises on personnel issues, and ensure the Department's compliance with privacy and confidentiality laws.

2a. Provide an activity measure(s) for the program.



PROGRAM DESCRIPTION

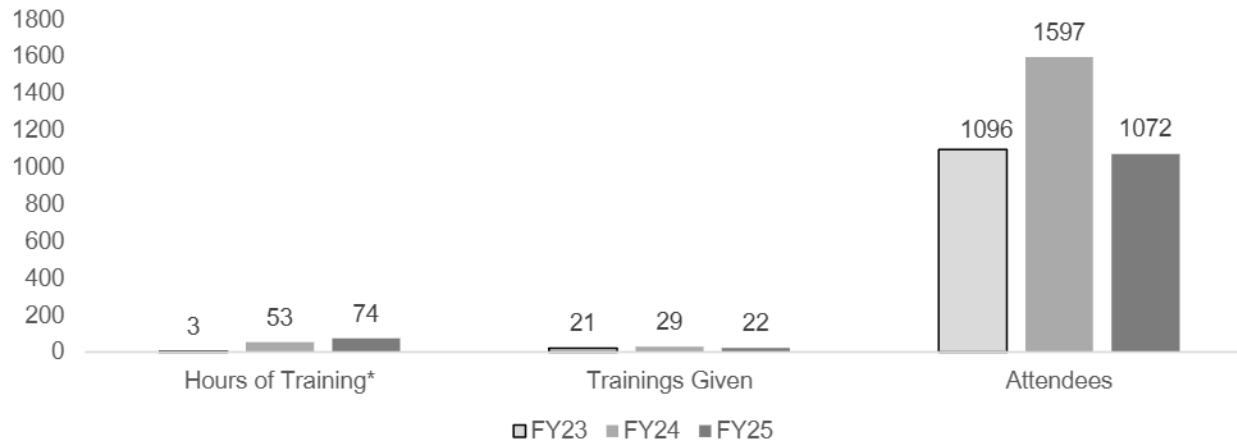
Department of Revenue

AB Section(s): 4.005, 4.020

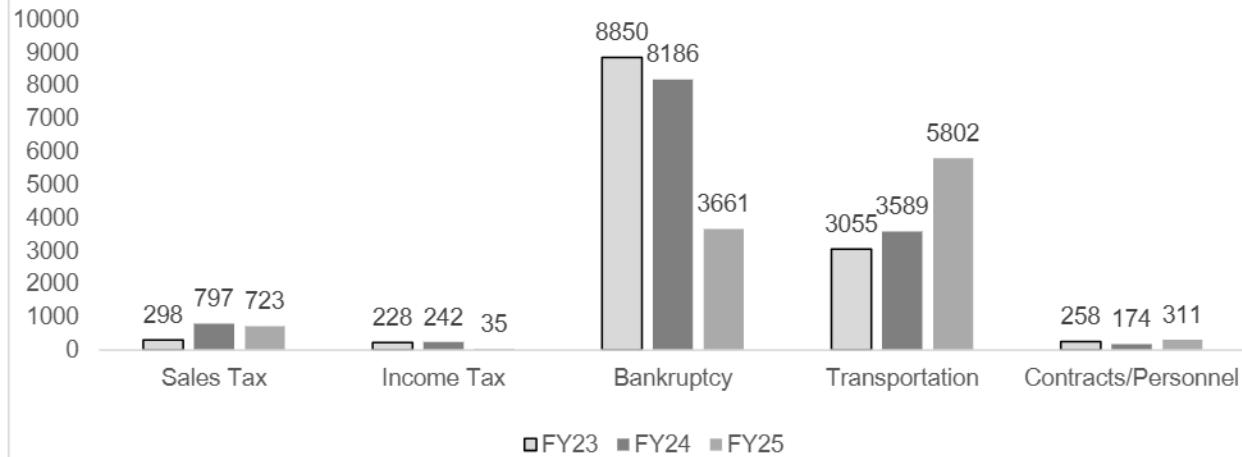
Program Name General Counsel's Office

Program is found in the following core budget(s): General Counsel's Office

Training Presentations



Total Number of Active Cases



PROGRAM DESCRIPTION

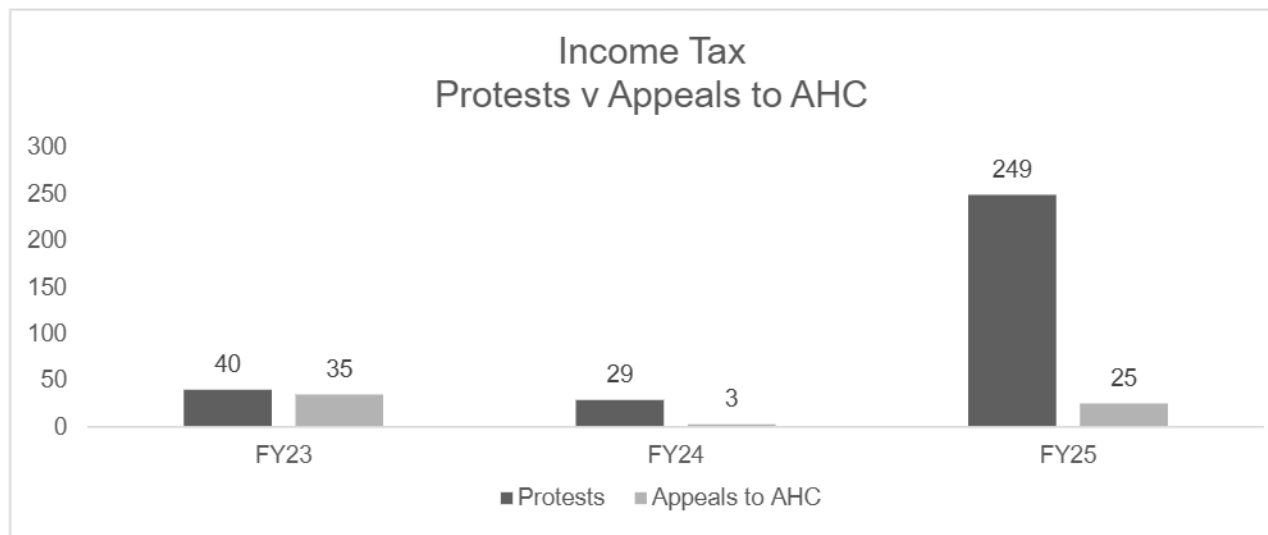
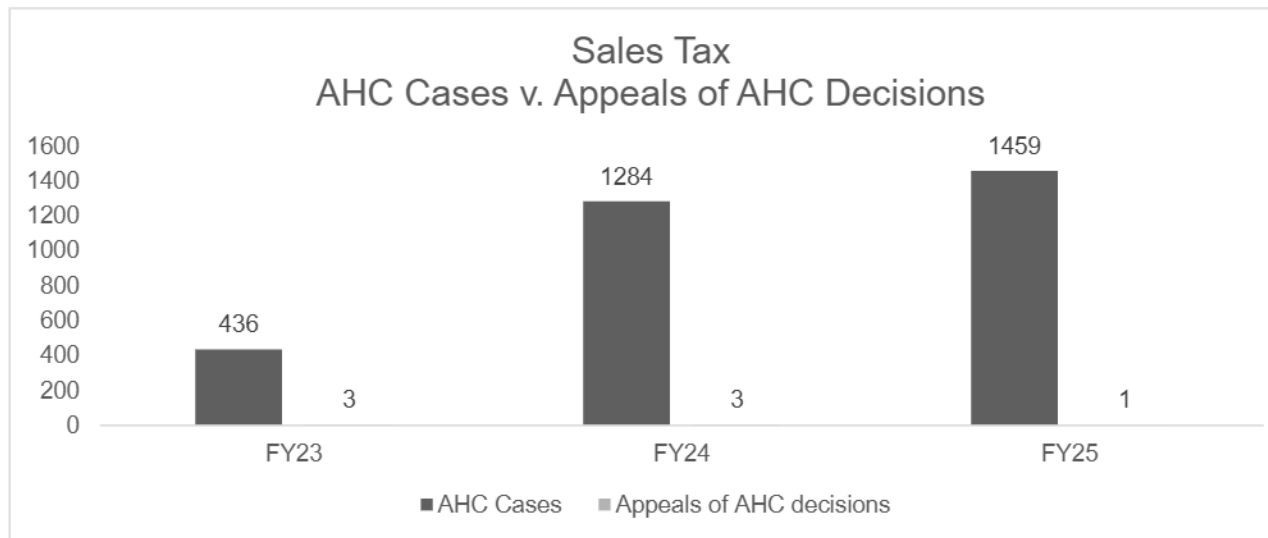
Department of Revenue

AB Section(s): 4.005, 4.020

Program Name General Counsel's Office

Program is found in the following core budget(s): General Counsel's Office

2b. Provide a measure(s) of the program's quality.



PROGRAM DESCRIPTION

Department of Revenue

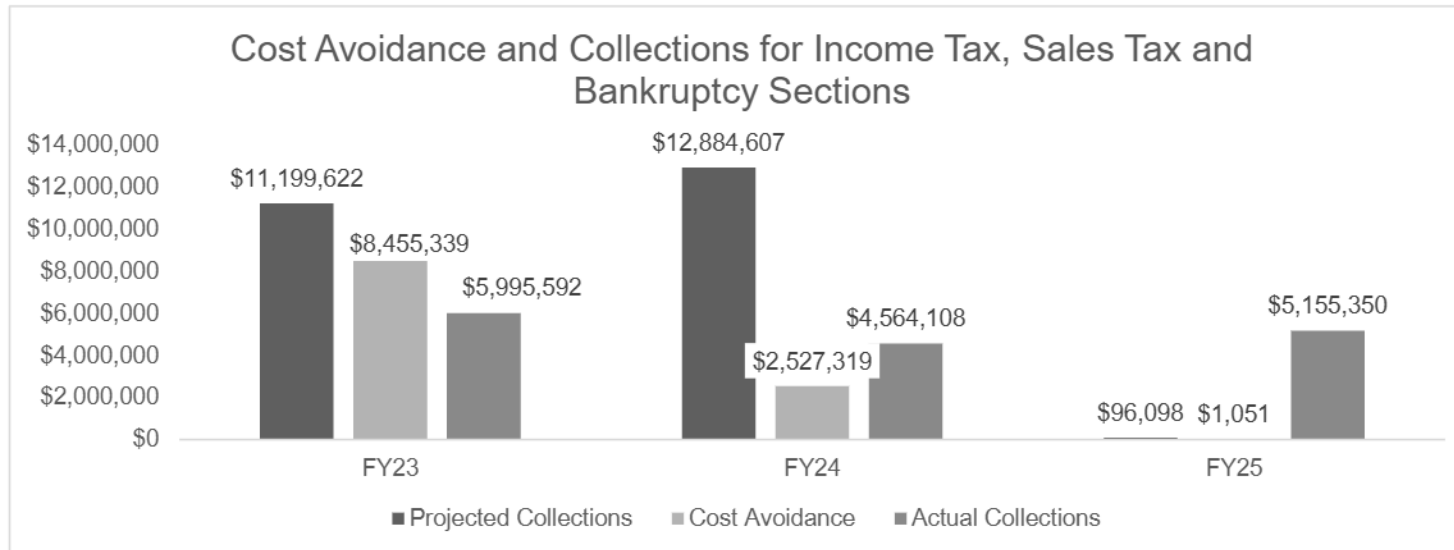
AB Section(s): 4.005, 4.020

Program Name General Counsel's Office

Program is found in the following core budget(s): General Counsel's Office

2c. Provide a measure(s) of the program's impact.

The Sales and Income Tax Sections litigate and collect delinquent or disputed taxes and fees owed to the state. The Bankruptcy Unit ensures the Department's compliance with bankruptcy code provisions and collects delinquent taxes owed by filing claims in the federal Bankruptcy courts. The Sales and Income Tax Sections also save the state money by successfully defending against claims made for refunds or reductions in taxes and negotiating settlements. "Projected Collections" represents the amount awarded by a tribunal that GCO anticipates will be collected in the future, "Actual Collections" represents actual amount paid to GCO in the fiscal year, and "Cost Avoidance" represents the amount originally claimed for a refund, minus what is actually paid.



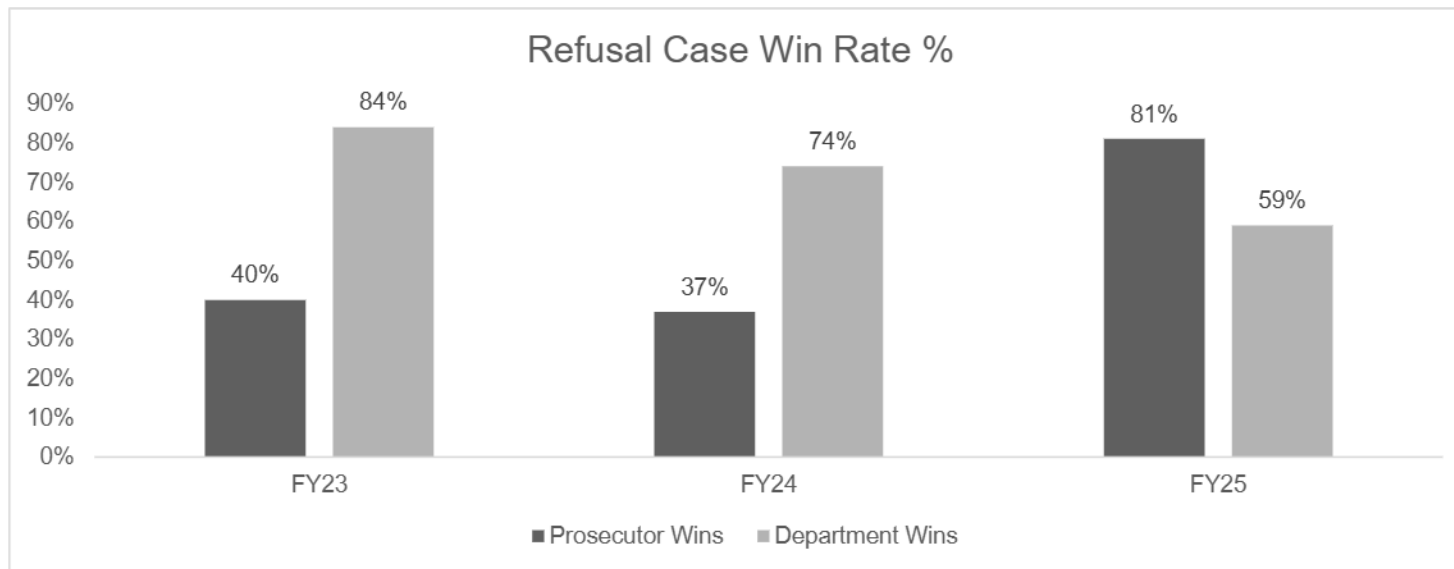
PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.005, 4.020

Program Name General Counsel's Office

Program is found in the following core budget(s): General Counsel's Office



PROGRAM DESCRIPTION

Department of Revenue

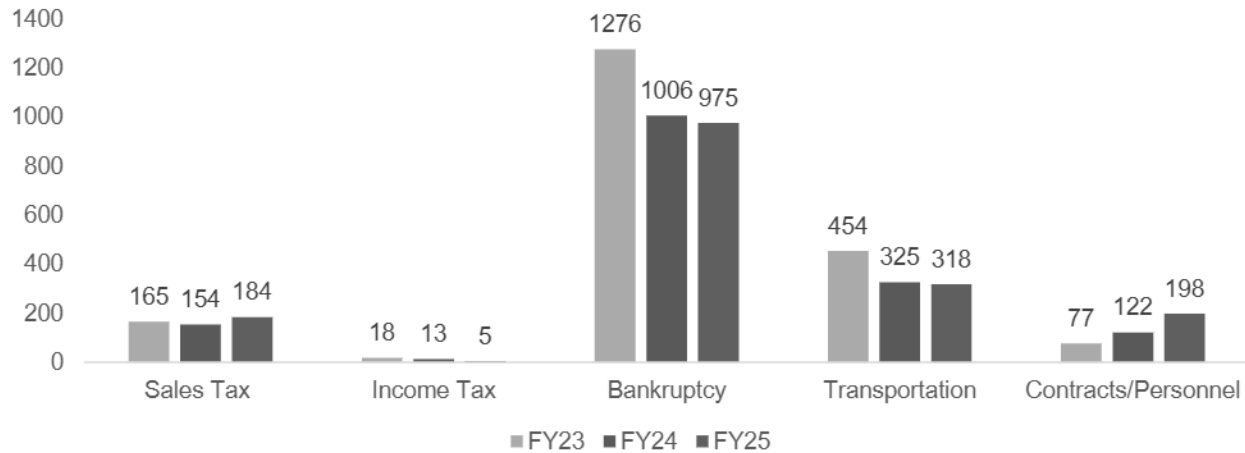
AB Section(s): 4.005, 4.020

Program Name General Counsel's Office

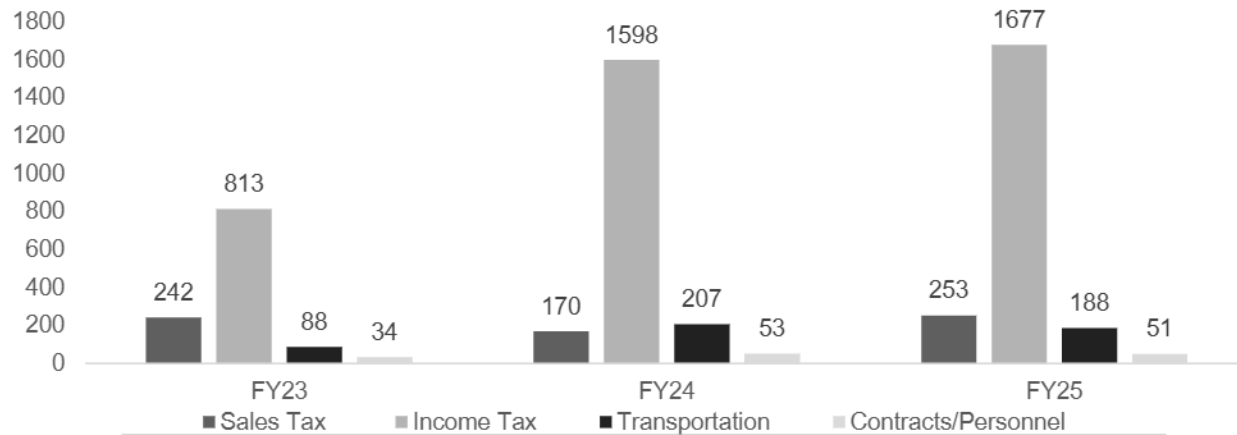
Program is found in the following core budget(s): General Counsel's Office

2d. Provide a measure(s) of the program's efficiency.

Average Number of Cases Closed per Attorney



Average Days to Close



**Average days to close excludes bankruptcy numbers due to the nature of the cases*

PROGRAM DESCRIPTION

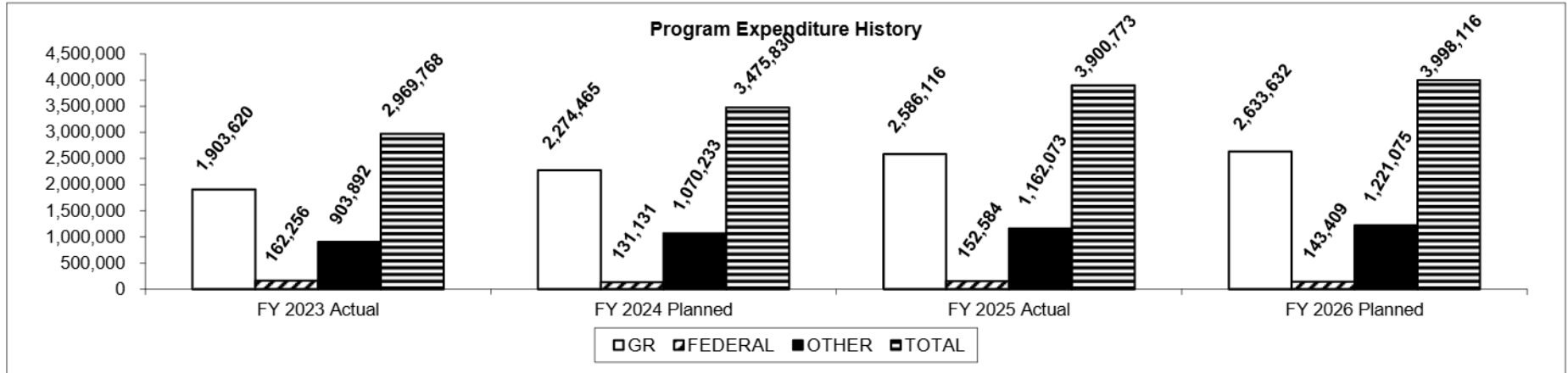
Department of Revenue

AB Section(s): 4.005, 4.020

Program Name General Counsel's Office

Program is found in the following core budget(s): General Counsel's Office

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

Motor Vehicle Commission Fund (0588); Tobacco Control Special Fund (0984)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri Constitution Article IV Sections 12 and 22; Chapters 32, 136, 142, 143, 144, 147, 154, 301.306 and 306 RSMo

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION

Department of Revenue

AB Section(s): 4.005 and 4.025

Program Name - Administration Division

Program is found in the following core budget(s): Administration/Postage

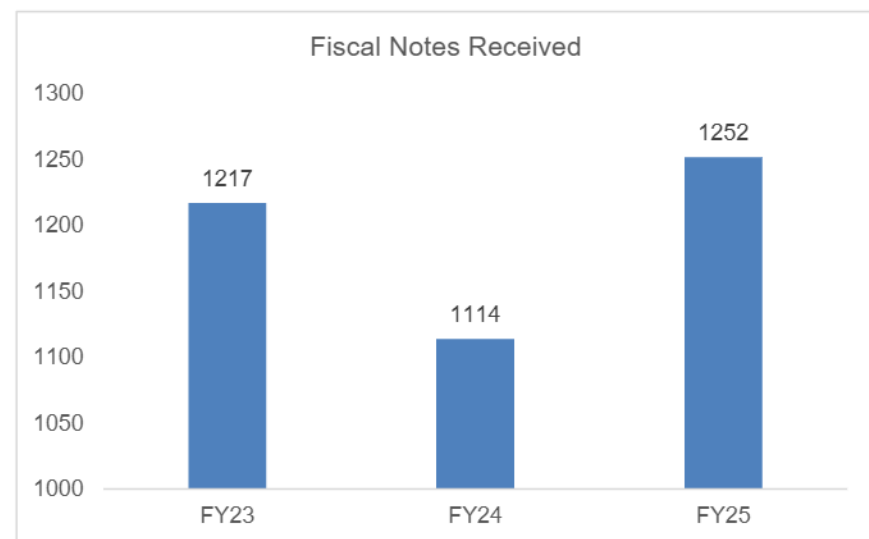
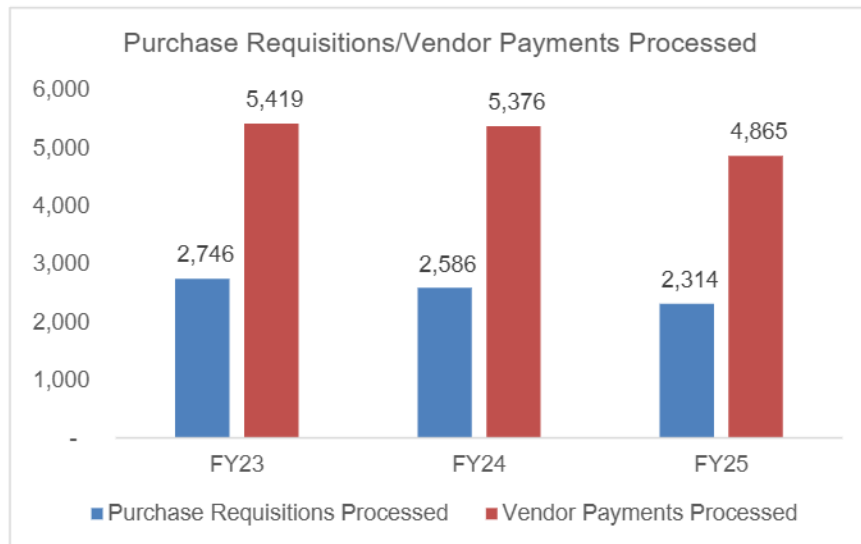
1a. What strategic priority does this program address?

Focus on Customer Service; Embed Transformational Purpose; Organizational Culture; Partnerships; IT Roadmap

1b. What does this program do?

The Administration Division provides administrative support and executive leadership to help all Department divisions by enabling them to focus on their primary responsibilities with effective communication strategies, responding to legislative contacts, processing fiscal notes, human resource and payroll processing, professional development initiatives, financial and general services, and performing internal audits and reviews to ensure the Department and contractors are in compliance.

2a. Provide an activity measure(s) for the program.



PROGRAM DESCRIPTION

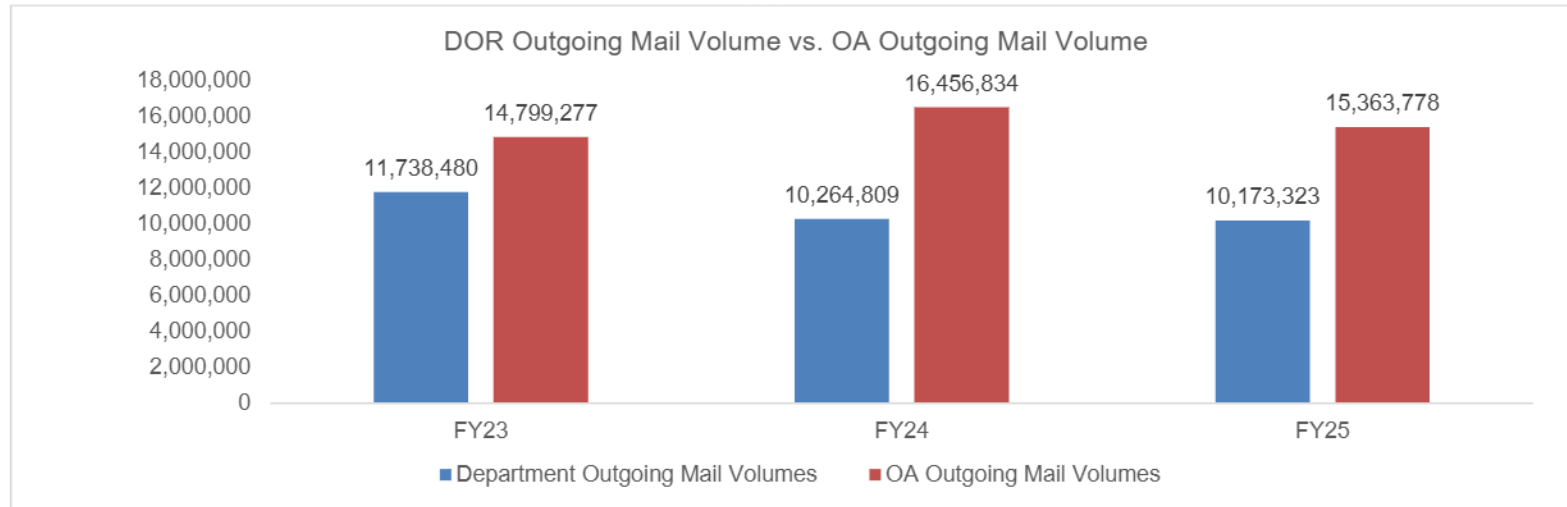
Department of Revenue

AB Section(s): 4.005 and 4.025

Program Name - Administration Division

Program is found in the following core budget(s): Administration/Postage

2a. Provide an activity measure(s) for the program (cont).



2b. Provide a measure(s) of the program's quality.

The Department's goal is to create a pool of certified professionals that are ready, willing and able to lead teams, projects and Department initiatives. The Department ensures all supervisors meet the Leadership Development rule, as required by 1 CSR 20-6.010, and receive at least 40 hours of training every fiscal year. The Department also encourages our employees to grow and develop by providing them the opportunity to pursue professional development to gain certifications and advanced skillsets. These opportunities include, but are not limited to: certifications in Lean Six Sigma (White, Yellow, Green, and Black belts), Certified Fraud Examiner (CFE), Certified Public Accountant (CPA), Project Management Professional (PMP), and/or Society for Human Resources Management Certified Professional/Senior Certified Professional (SHRM-CP/SCP); and provide tuition reimbursement for undergraduate and graduate degrees.

PROGRAM DESCRIPTION

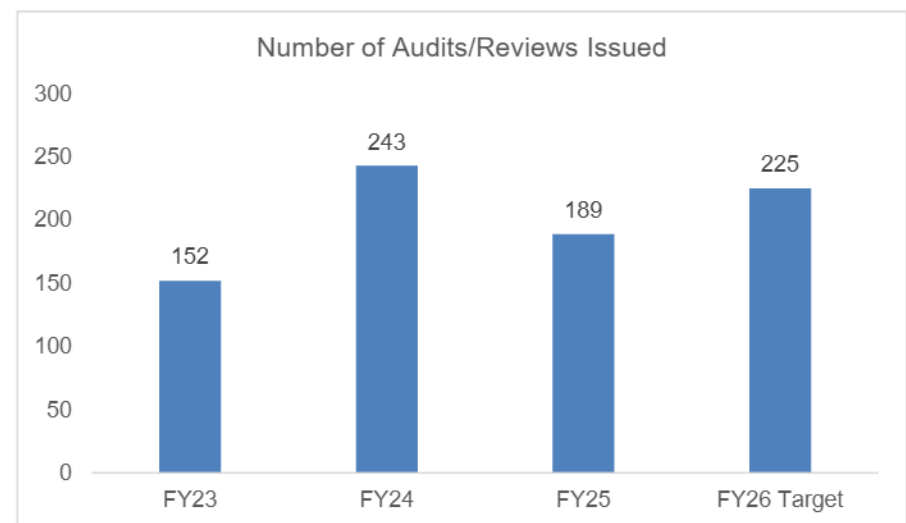
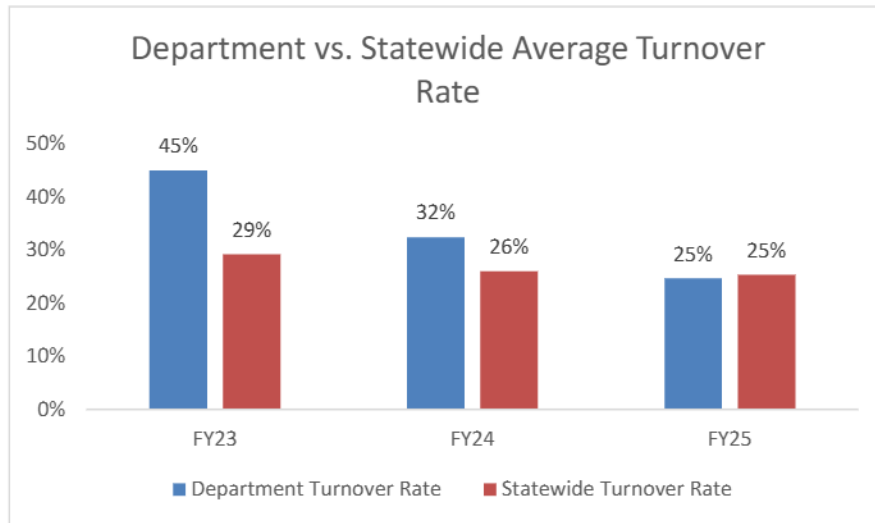
Department of Revenue

AB Section(s): 4.005 and 4.025

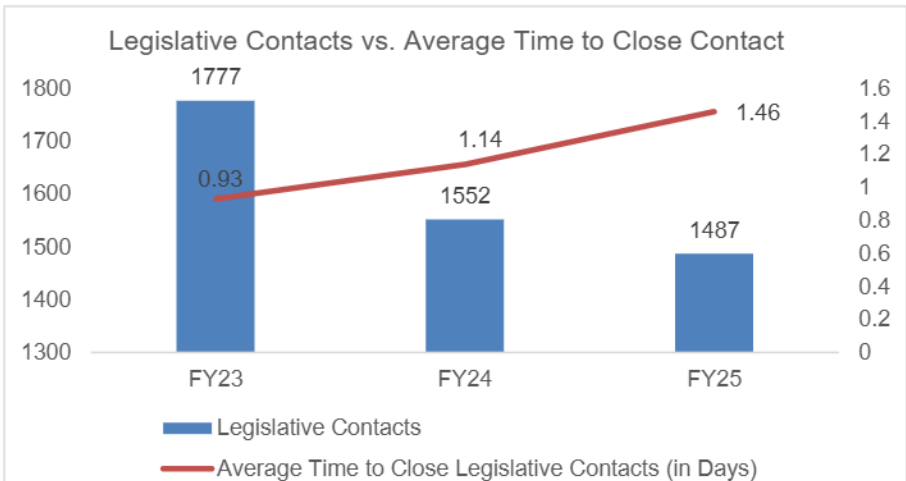
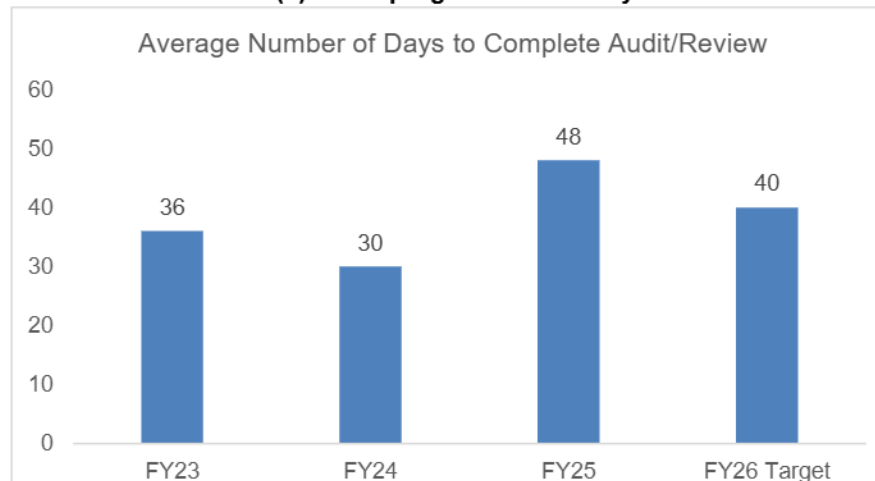
Program Name - Administration Division

Program is found in the following core budget(s): Administration/Postage

2c. Provide a measure(s) of the program's impact.



2d. Provide a measure(s) of the program's efficiency.



PROGRAM DESCRIPTION

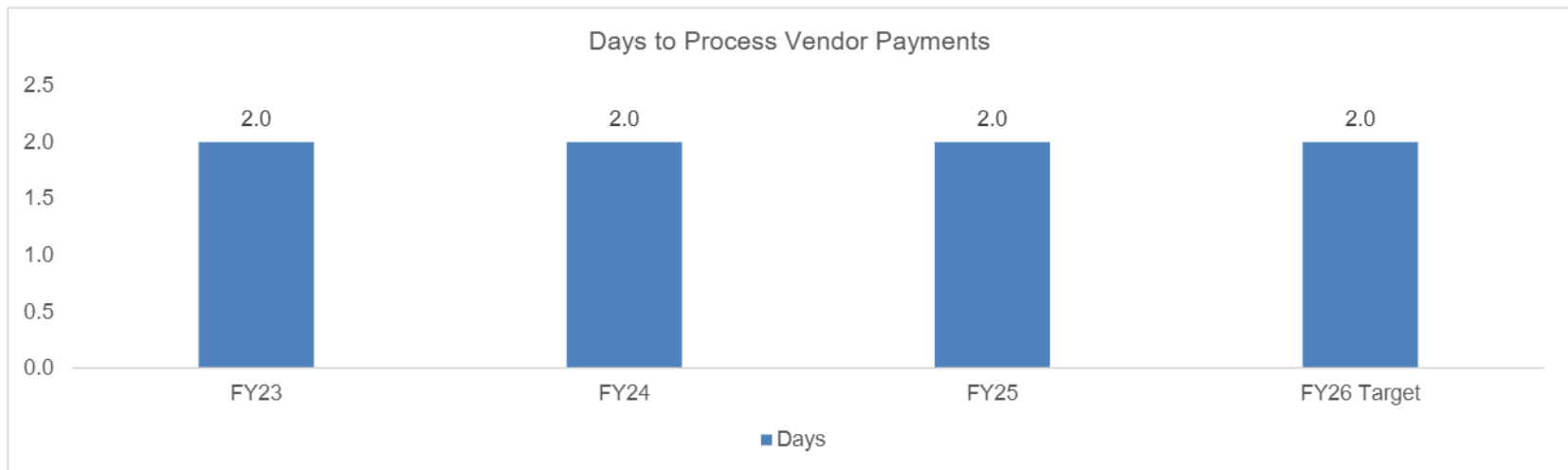
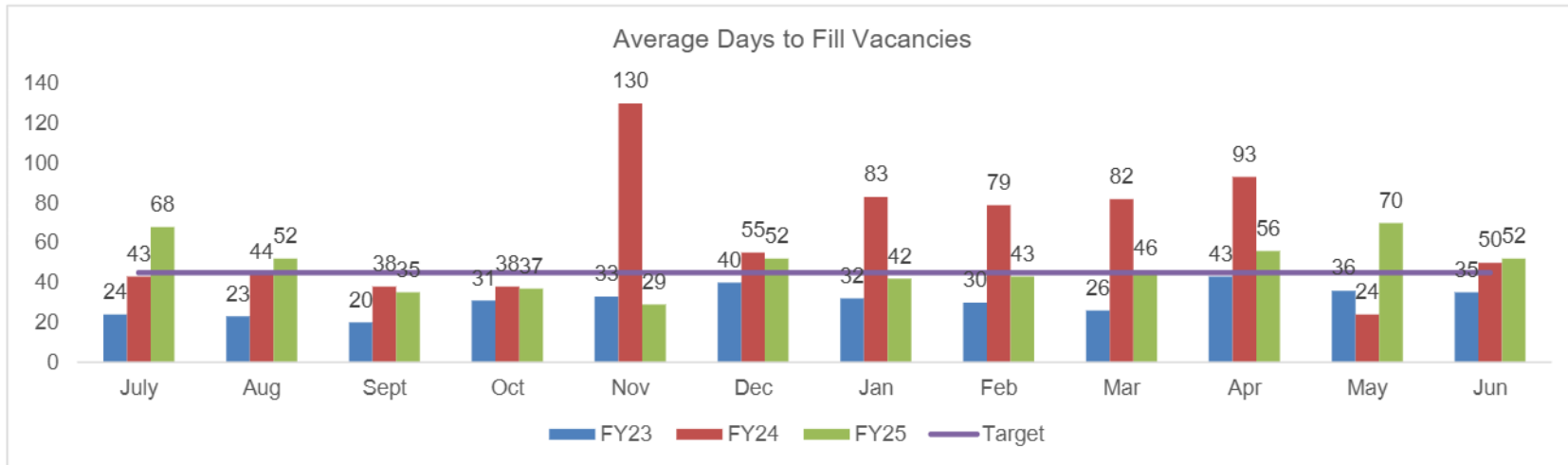
Department of Revenue

AB Section(s): 4.005 and 4.025

Program Name - Administration Division

Program is found in the following core budget(s): Administration/Postage

2d. Provide a measure(s) of the program's efficiency (cont).



PROGRAM DESCRIPTION

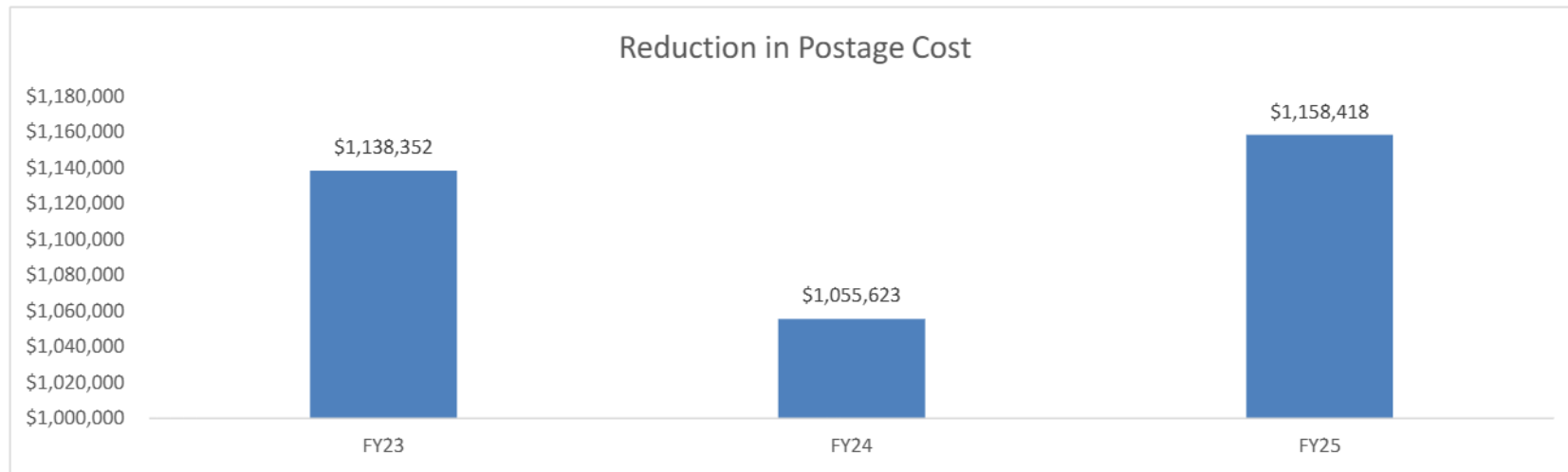
Department of Revenue

AB Section(s): 4.005 and 4.025

Program Name - Administration Division

Program is found in the following core budget(s): Administration/Postage

2d. Provide a measure(s) of the program's efficiency (cont).



The Department programs its outgoing mail to take advantage of United State Postal Service postage discounts.

PROGRAM DESCRIPTION

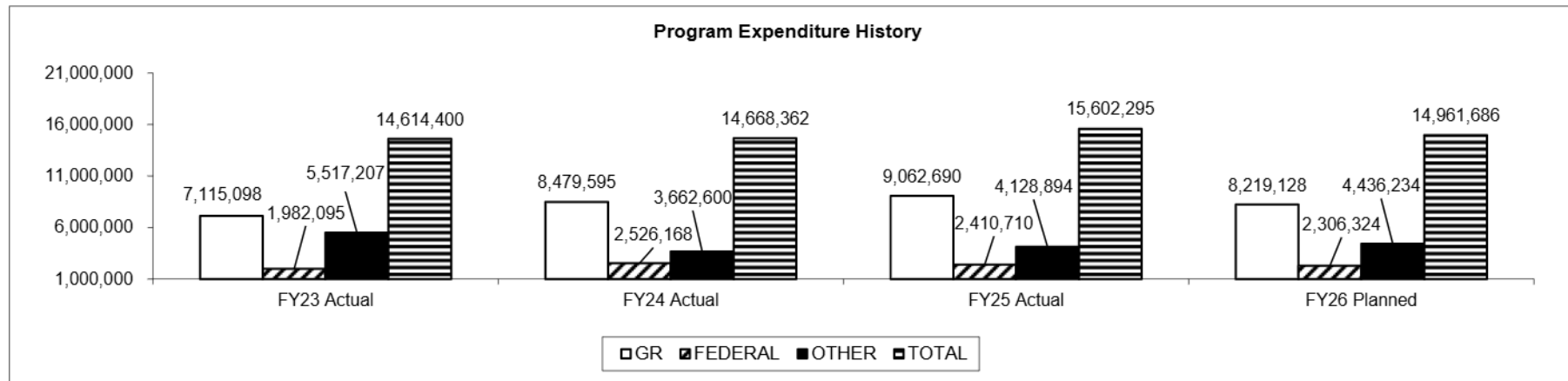
Department of Revenue

AB Section(s): 4.005 and 4.025

Program Name - Administration Division

Program is found in the following core budget(s): Administration/Postage

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other" funds?

Child Support Enforcement (0169); Health Initiatives (0275); Conservation Commission (0609); Motor Vehicle Commission (0588)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri Constitution, Article IV, Sections 12 and 22; Chapters 32, 136, 142, 143, 144, 147, 154, 301, 302, and 306, RSMo

6. Are there federal matching requirements? If yes, please explain.

Costs to transact child support IV-D payments are paid 66 percent by federal funds and 34 percent by state funds. Sixty-six percent federal financial participation is available for Non-IV-D transactions costs when the case includes a support order initially issued in Missouri on or after January 1, 1994, and an income withholding is in place.

7. Is this a federally mandated program? If yes, please explain.

Federal requirements as specified in P.L.93-647 and 45 CRF, Section 303.20

Overview

State Tax Commission

The State Tax Commission is a quasi-judicial administrative agency created by the Missouri Constitution to perform six (6) basic functions. These functions are:

1. Equalize inter- and intra-county assessments,
2. Conduct *de novo* judicial hearings regarding valuation and classification appeals from local boards of equalization in individual assessment cases,
3. Formulate and implement statewide assessment policy and procedures to comport with statutory and constitutional mandates,
4. Supervise local assessing officials and local assessment programs to ensure compliance with statewide policy requirements,
5. Conduct ratio studies to determine the assessment level in each county and to measure the quality of the assessment program, and
6. Original assessment of the distributable property of railroads, airlines, pipelines, telecommunications, and public utilities

The State Tax Commission oversees an assessment system, which is responsible for the annual collection of \$10.43 billion in property tax revenues, which serves as the financial foundation for public schools, local governmental agencies, and local services such as ambulance districts, fire districts, libraries, and road and bridge.

The State Tax Commission envisions an ad valorem assessment landscape which ensures the equitable treatment of all property owners in the State of Missouri. This vision will be manifested through the State Tax Commission's emphasis on the guiding values of work ethic, discipline, integrity, efficiency, and impartiality in its performance of its duties and the fulfillment of its responsibilities to the citizens of Missouri.

State Auditor's Reports, Oversight Evaluations, and Federal Audits/Reviews

Program or Division Name	Type of Report	Date Issued	Website Link

Missouri Sunset Act Report

Provide the following information on all programs subject to the Missouri Sunset Act.

Program	Enacting Statutes	Sunset Date	Review Status
Rolling Stock Tax Credit	Section 137.1018, RSMo	August 28, 2028	Reviewed by Oversight Division in 2019.

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.165

Program Name - Legal

Program is found in the following core budget(s): State Tax Commission

1a. What strategic priority does this program address?

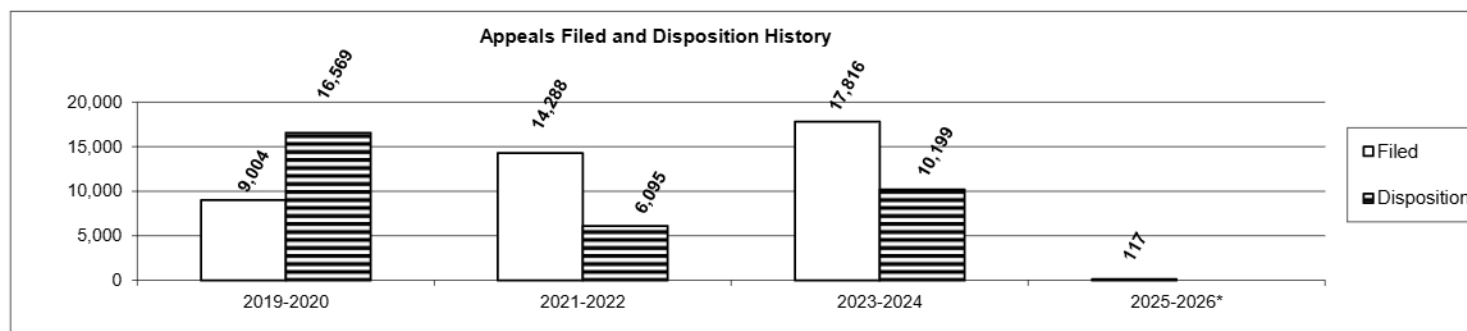
Transparent, uniform, and equitable statewide assessment program.

1b. What does this program do?

- Presides over property assessment appeals in 114 counties and the City of St. Louis
- Issues rulings on discovery and evidence disputes
- Conducts prehearing settlement conferences and evidentiary hearings
- Issues written decisions with findings of fact and conclusions of law

2a. Provide an activity measure(s) for the program.

Below is a graph that depicts the history of appeals filed and disposed during each assessment cycle (an assessment cycle begins January 1st of an odd year through December 31st of an even year - example 2025-2026 assessment cycle is January 1, 2025 - December 31, 2026).



* The 2025-2026 cycle will not be completed until December 31, 2026. The filing deadline for 2025 appeals is September 30, 2025, or 30 days after the date of the Board of Equalization decision being appealed, whichever is later.

County assessment officials determine the value and classification of property for property tax purposes for their respective counties. All Missouri taxpayers, which includes individuals and business entities, who disagree with the assessment determination have the right to appeal those determinations to the State Tax Commission. The State Tax Commission employs hearing officers who conduct hearings to determine the proper assessment of a taxpayer's property. The hearing officers render written decisions that include findings of fact and conclusions of law; if a taxpayer disagrees with the decision, the taxpayer has the right to appeal that decision to the three State Tax Commissioners. The State Tax Commissioners render

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.165

Program Name - Legal

Program is found in the following core budget(s): State Tax Commission

2b. Provide a measure(s) of the program's quality.

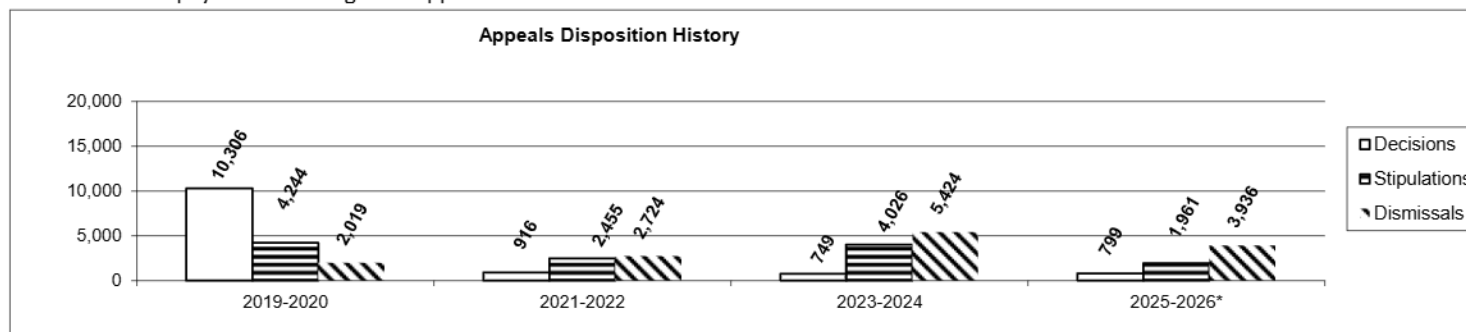
The Chief Counsel and the Hearing Officers are required to be licensed to practice law in the State of Missouri. Annually, 15 hours of continuing legal education, including 2 hours of ethics and 1 hour of cultural competency, diversity, inclusion, and implicit bias training is required. The Chief Counsel and the Hearing Officers also attend courses through The National Judicial College, the institution utilized by federal and state courts to train Article III judges and administrative law judges, and courses through the International Association of Assessing Officers (IAAO).

2c. Provide a measure(s) of the program's impact.

Appeals are disposed of by decision, stipulation, or dismissal.

Types of Disposition

- Decision - Determination of assessment based on evidence from taxpayer and assessment official during an evidentiary hearing
- Stipulation - Agreement on assessment by the taxpayer and assessment official submitted for approval to this program
- Dismissal - Taxpayer abandoning their appeal



* The 2025-2026 cycle will not be completed until December 31, 2026.

2d. Provide a measure(s) of the program's efficiency.

The State Tax Commission strives to efficiently dispose of appeals for the taxpayers of the State of Missouri.

Assessment Cycle	2019-2020	2021-2022	2023-2024	2025-2026*
Appeals Disposed	16,569	6,095	10,199	6,696
Full-time Employees	5	5	5	5

* The 2025-2026 cycle will not be completed until December 31, 2026.

PROGRAM DESCRIPTION

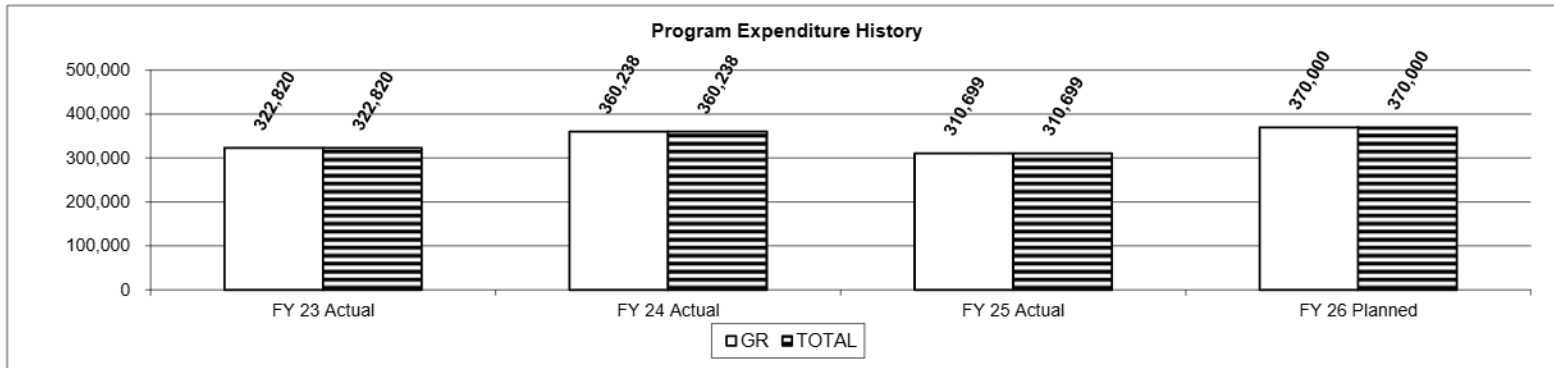
Department - Revenue/State Tax Commission

HB Section(s): 4.165

Program Name - Legal

Program is found in the following core budget(s): State Tax Commission

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

N/A

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Article X, Section 14, of the Missouri Constitution, Chapters 138, 151, and 153 of RSMo

6. Are there federal matching requirements? If yes, please explain.

N/A

7. Is this a federally mandated program? If yes, please explain.

N/A

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.165

Program Name - Original Assessment

Program is found in the following core budget(s): State Tax Commission

1a. What strategic priority does this program address?

Transparent, uniform, and equitable statewide assessment program.

1b. What does this program do?

The Original Assessment program has the duty of assessing distributable property held by public utilities, railroads, private car companies, airlines, and related entities.

2a. Provide an activity measure(s) for the program.

The Original Assessment program is statutorily obligated to complete appraisals for any public utility and railroad company that files for state assessment. This program must have all company appraisals completed within 150 days.

	2022	2023	2024	2025
Electric	10	9	9	9
Fluid Pipeline	20	20	17	20
Natural Gas Pipeline	13	13	13	13
Railroad	16	15	15	15
Telecommunications (Fiber)	41	41	47	47
Telecommunications (ILEC)	43	43	43	43
Telecommunications (Cable)	2	2	2	2
Aircraft Owned by Airlines	54	53	54	53
Aircraft Owned by Others	174	192	193	203
Private Cars	339	374	374	352
Rural Electric Cooperatives	52	52	52	52
Total Company Appraisals	764	814	819	809

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.165

Program Name - Original Assessment

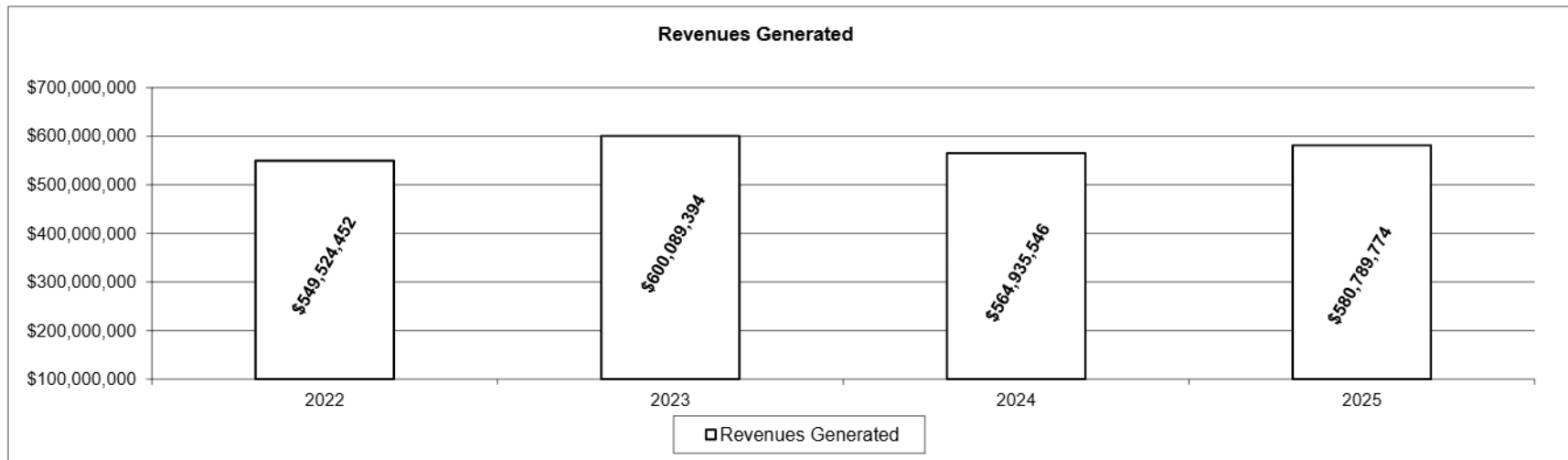
Program is found in the following core budget(s): State Tax Commission

2b. Provide a measure(s) of the program's quality.

- Appraisals have been standardized using the Unit Valuation Standards of the National Conference of Unit Valuation States (NCUVS). This program's policies and procedures supporting the standards used are maintained and audited for uniformity, ensuring compliance with state laws.
- The annual Cost of Capital Studies and Certifications are posted to the agency website. Additionally, company appraisal reports are provided to each company prior to the informal hearing process. This process allows for full transparency and fair practices for all taxpayers.
- Informal hearings are conducted for the exchange of information. Arriving at fair market value requires both parties having knowledge of relevant and material facts. This program's processes, including appeal procedures, result in equitable treatment of all taxpayers.

2c. Provide a measure(s) of the program's impact.

This program generates revenue for the local entities by appraising these companies to develop a company value, extracting the State of Missouri value to then be apportioned to each county for the collection of taxes for local entities. These entities (such as schools, ambulance, fire, and library districts) provide services to the citizens of Missouri.



PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.165

Program Name - Original Assessment

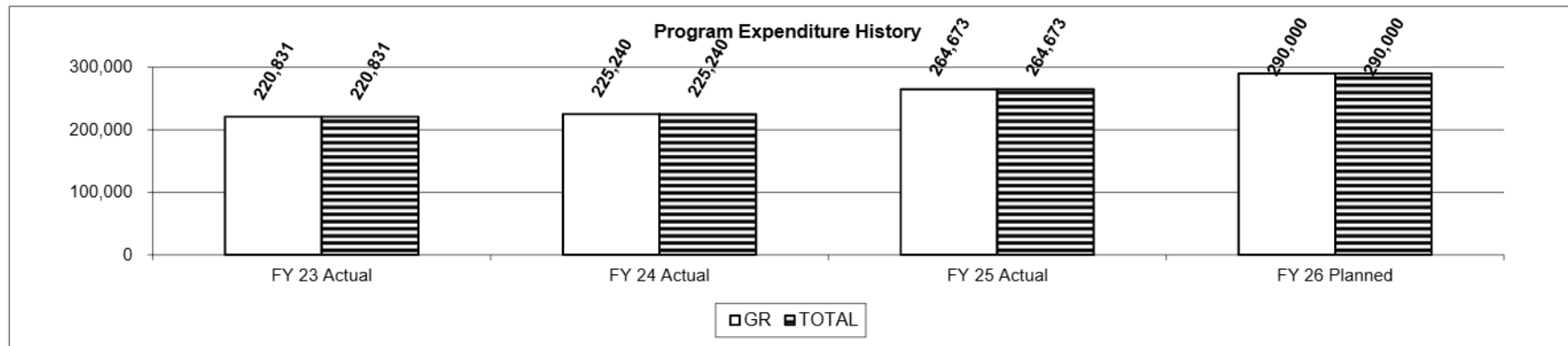
Program is found in the following core budget(s): State Tax Commission

2d. Provide a measure(s) of the program's efficiency.

This program employs three full-time employees and generates in excess of \$580 million for local districts (ambulance, fire, library, and schools).

	2022	2023	2024	2025
Number of Appraisals	764	814	819	809
Full-Time Employees	3	3	3	3
Caseload per Employee	255	271	273	270

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

N/A

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Article X, Section 14, Constitution of Missouri; Chapters 137, 138, 151, 153, and 155, RSMo

6. Are there federal matching requirements? If yes, please explain.

N/A

7. Is this a federally mandated program? If yes, please explain.

N/A

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.165 and 4.170

Program Name - Local Assistance and Assessment Maintenance

Program is found in the following core budget(s): State Tax Commission

1a. What strategic priority does this program address?

Transparent, uniform, and equitable statewide assessment program.

1b. What does this program do?

- Assist county assessors with technical aspects of operating a successful assessment program
- Assist county assessors with developing a two-year assessment plan that will conform to statutory parameters
- Conducts appraisals and studies to determine the level and quality of assessments established by each county assessor
- Reimburse up to 60% of all costs associated with implementing a two-year assessment plan (current appropriation allows for reimbursement of 50%)

2a. Provide an activity measure(s) for the program.

Studies performed each assessment cycle (an assessment cycle is from January 1st of an odd year through December 31st of an even year - example 2025-2026 assessment cycle is January 1, 2025 - December 31, 2026).

Assessment Cycle	2019-2020	2021-2022	2023-2024	2025-2026*
Commercial Appraisal Studies	38	38	38	0
Residential Appraisal Studies	0	0	0	0
Residential Sales Studies	114	115	114	0

* The 2025-2026 cycle is incomplete as studies are not finalized until May 2027.

(For every residential appraisal study completed, there are 25 individual appraisals. In the 2021-2022 assessment cycle, all counties qualified for a residential sales study.)

(For every commercial appraisal study completed, there are 30 individual appraisals.)

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

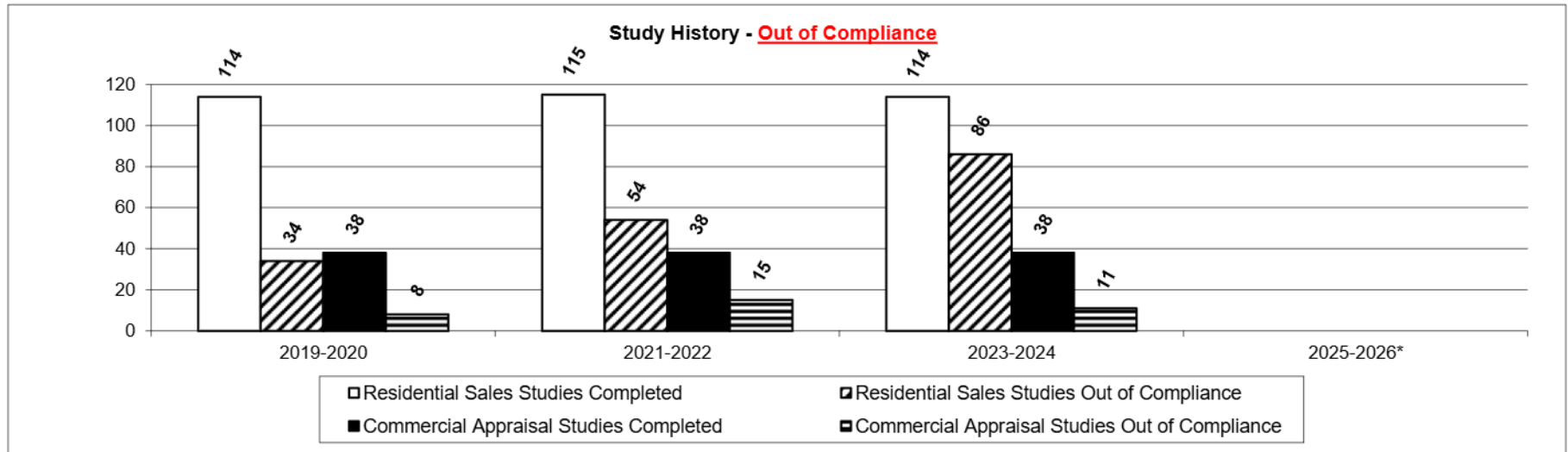
HB Section(s): 4.165 and 4.170

Program Name - Local Assistance and Assessment Maintenance

Program is found in the following core budget(s): State Tax Commission

2b. Provide a measure(s) of the program's quality.

The chart below depicts the **OUT OF COMPLIANCE** study analysis for each two-year assessment cycle (an assessment cycle is from January 1st of an odd year through December 31st of an even year - example 2025-2026 assessment cycle is January 1, 2025 - December 31, 2026).



* The 2025-2026 cycle is incomplete as appraisals and studies are not finalized until May 2027.

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

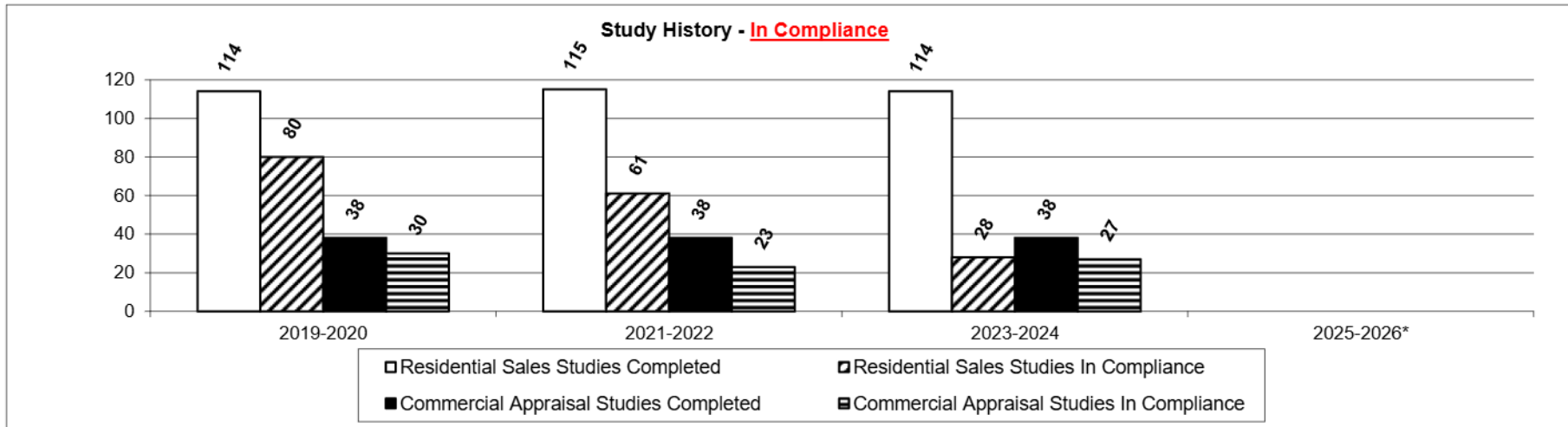
HB Section(s): 4.165 and 4.170

Program Name - Local Assistance and Assessment Maintenance

Program is found in the following core budget(s): State Tax Commission

2c. Provide a measure(s) of the program's impact.

This program strives to ensure that all taxpayers in the State of Missouri are assessed utilizing fair and equitable practices. Without the assistance and audits of this program, taxpayers wouldn't be treated fairly and equitably across Missouri and these inequities could impact the local taxing entities (such as ambulance, fire, library, and school districts) that provide essential services to the citizens of Missouri. The below chart depicts the **IN COMPLIANCE** study analysis for each two-year assessment cycle.



*The 2025-2026 cycle is incomplete as the appraisals and studies are not finalized until May 2027.

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

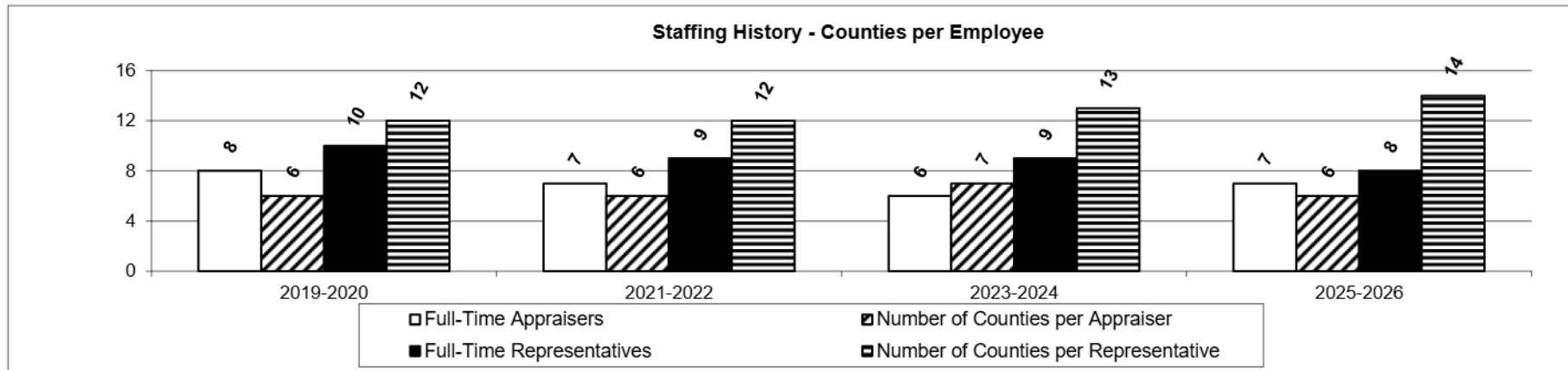
HB Section(s): 4.165 and 4.170

Program Name - Local Assistance and Assessment Maintenance

Program is found in the following core budget(s): State Tax Commission

2d. Provide a measure(s) of the program's efficiency.

Each employee covers a territory within the State of Missouri to ensure all regions are assisted and studied.



* The 2025-2026 cycle is incomplete as studies are not finalized until May 2027.

PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

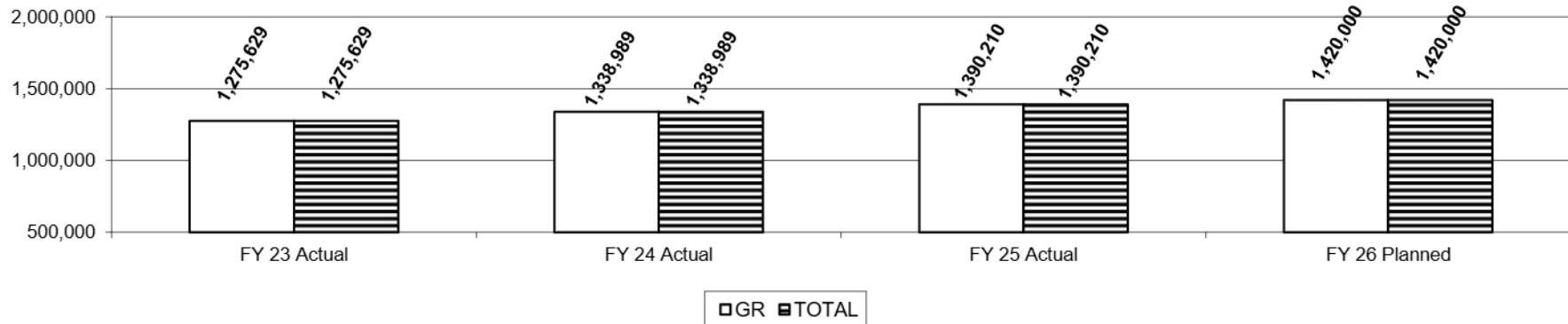
HB Section(s): 4.165 and 4.170

Program Name - Local Assistance and Assessment Maintenance

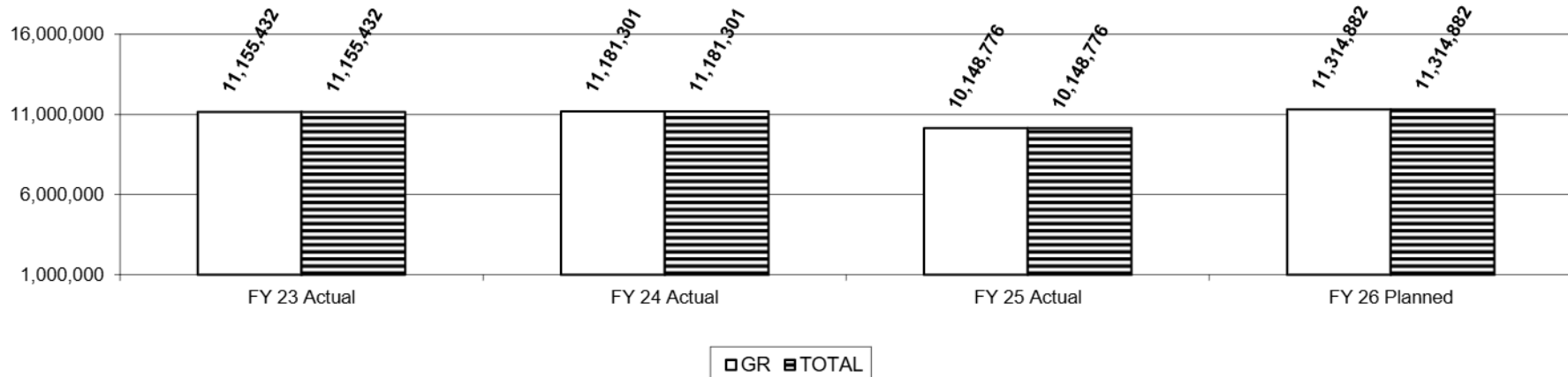
Program is found in the following core budget(s): State Tax Commission

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)

Local Assistance Expenditure History



Assessment Maintenance Expenditure History



PROGRAM DESCRIPTION

Department - Revenue/State Tax Commission

HB Section(s): 4.165 and 4.170

Program Name - Local Assistance and Assessment Maintenance

Program is found in the following core budget(s): State Tax Commission

4. What are the sources of the "Other " funds?

N/A

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section X, Article 14, Constitution of Missouri, Chapters 53, 137, and 138 RSMo

6. Are there federal matching requirements? If yes, please explain.

N/A

7. Is this a federally mandated program? If yes, please explain.

N/A

Overview

Missouri State Lottery

The Missouri Lottery is a revenue source for Missouri public education.

The Lottery's mission is to help fund educational opportunities for Missouri students, support Missouri businesses, and entertain millions.

The core functions of the Lottery are to:

- Recruit and license Lottery retailers
- Create, market, and distribute Lottery products
- Collect revenues from Lottery retailers
- Pay Lottery prizes and retailer commissions
- Ensure the security and integrity of Lottery operations and games, and
- Transfer profits to the Lottery Proceeds Fund

FY 25 ticket sales were approximately \$1.6 billion, the fifth highest in Lottery history and slightly behind FY 21 record sales of \$1.8 billion. The amount of profit transferred to the Lottery Proceeds Fund for education was \$337 million, the fifth highest in Lottery history.

Over the past 40 years, the Lottery has sold \$34.2 billion in product and transferred profits of \$8.6 billion to the state and public education.

The Missouri Lottery is diligent in being responsible stewards of the Lottery's money. During our 40-year history, the Lottery's operating percentage (administrative costs plus ticket costs as a percentage of sales) has decreased from 14 percent to 3.6 percent – one of the lowest in the country. The Lottery continues to build on its past history of developing and implementing cost-saving initiatives that will ensure the Lottery continues to improve the level of productivity and efficiency into the future. In addition, the Lottery is committed to responsible gaming practices and the integrity of all our games and products.

Program or Division Name	Type of Report	Date Issued	Website
State Lottery Commission - Two Years Ended 6/30/2022	Audit Report	Nov-23	https://auditor.mo.gov/AuditReport/ViewReport?report=2023079
State Lottery Commission - Two Years Ended 6/30/2020	Audit Report	Dec-20	Missouri State Lottery Commission (mo.gov)
State Lottery Commission - Two Years Ended 6/30/2018	Audit Report	Aug-19	http://app.auditor.mo.gov/Repository/Press/2019065798734.pdf
State Lottery Commission - Two Years Ended 6/30/2016	Audit Report	Jul-17	http://app.auditor.mo.gov/Repository/Press/2017060551494.pdf
State Lottery Commission - Three Years Ended 6/30/2014	Audit Report	Dec-15	http://app.auditor.mo.gov/Repository/Press/2015119999204.pdf

PROGRAM DESCRIPTION		
Department	REVENUE	HB Section(s): <u>4.180-4.195</u>
Program Name	MISSOURI LOTTERY COMMISSION	
Program is found in the following core budget(s): <u>LOTTERY - OPERATING - OTHER FUNDS</u>		
1a. What strategic priority does this program address?		
Helps fund public education.		
1b. What does this program do?		
The core functions of the Lottery are: a) recruit and license Lottery retailers; b) create, market and distribute Lottery products; c) collect revenues from retailers; d) pay Lottery prizes and retailer commissions; e) ensure the security and integrity of Lottery operations and games and f) transfer profits to the Lottery Proceeds Fund for appropriation.		
The Missouri Lottery Commission is a revenue source for Missouri public education. Lottery operating appropriations allow the Commission to expend resources they earn through the sale of tickets to support the development, implementation, sales, delivery and administration of a full array of lottery games, for the expressed purpose of generating profits that may be appropriated by the legislature for Missouri public education.		
Expenditures are from funds generated by the sale of tickets and not from the General Revenue Fund.		
2a. Provide an activity measure(s) for the program.		
1) Lottery Retailers - 4,700 Lottery Retailers across the state received \$95 million in retailer commissions and incentives in FY 2025 (unaudited).		
2) Lottery Players - \$1.1 billion paid to players in prizes in FY 2025 (unaudited).		
2b. Provide a measure(s) of the program's quality.		
1) Player Satisfaction - Ticket sales reflect player satisfaction. FY 2025 sales were \$1.6 billion (unaudited), slightly behind FY 21 record sales of \$1.8 billion.		
2) Retailer Satisfaction - 2025 retailer satisfaction survey showed an overall satisfaction with the Lottery of 4.63 out of 5, up from 4.42 in 2024.		
3) Responsible Gaming - Missouri Lottery has achieved Level 4 certification through the World Lottery Association's responsible gaming framework, the highest certification status. Only 9 US lotteries have achieved Level 4 status. Missouri Lottery also offers a self-exclusion program for players who classify themselves as problem gamblers.		
4) Statutory audits - Missouri Lottery is audited by the State Auditor's Office (SAO) every two years and annually by an independent certified public accounting (CPA) firm, consistently receiving "Good" or better ratings from the SAO and unmodified opinions from the independent CPA firm.		

PROGRAM DESCRIPTION

Department **REVENUE**

HB Section(s): 4.180-4.195

Program Name **MISSOURI LOTTERY COMMISSION**

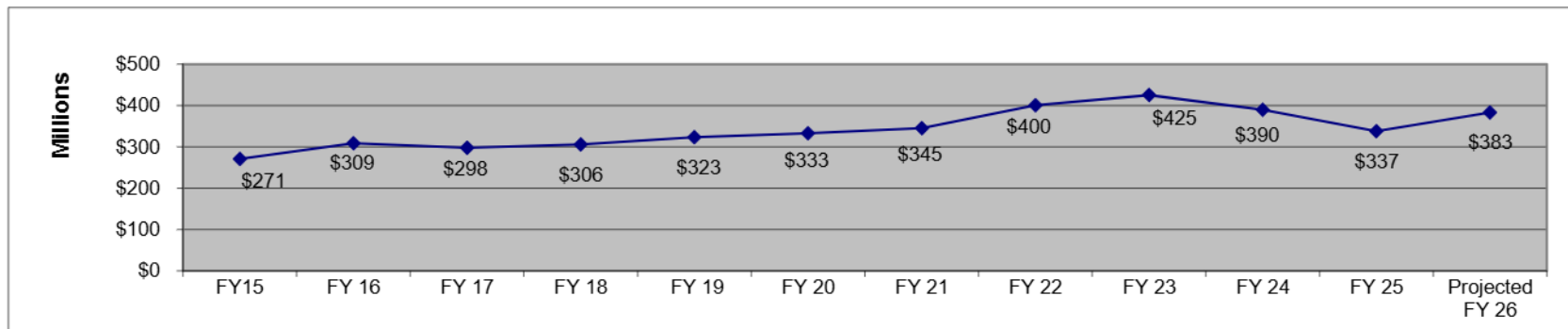
Program is found in the following core budget(s): **LOTTERY - OPERATING - OTHER FUNDS**

5) Excellence in Reporting - Missouri Lottery has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for each of the last 25 years. In order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Annual Comprehensive Financial Reports can be found on our website.

6) Security and Risk Management - Missouri Lottery is the first U.S. lottery to achieve the World Lottery Association's Level 2 certification for security and risk management. The Level 2 certification is based on the effective management of security and integrity, using four key components: ISO/IEC 27001 international standards for information security; lottery-specific security processes and controls; requirements for products offered by the lottery; and controls required for offering games run by the Multi-State Lottery Association (MUSL). The Lottery's information system has also been certified by MSECBC, an accredited Management Systems Certification Body.

2c. Provide a measure(s) of the program's impact.

1.) Annual Transfers to Education



*Projected FY 26 is calculated as the previous five years' average plus 1% in order to neutralize/counterbalance fluctuations from jackpots and product mix in any one year.

PROGRAM DESCRIPTION

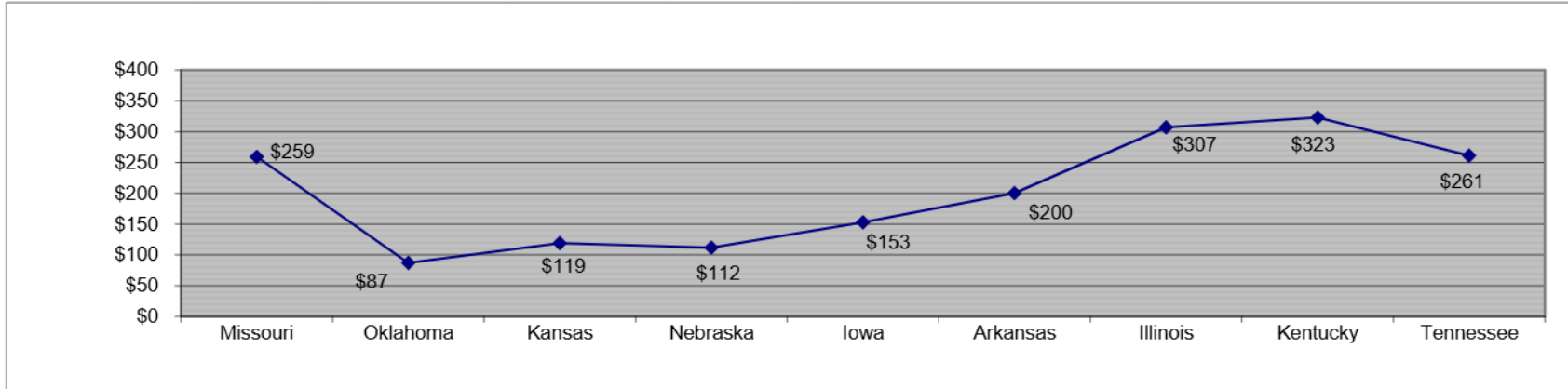
Department **REVENUE**

HB Section(s): 4.180-4.195

Program Name **MISSOURI LOTTERY COMMISSION**

Program is found in the following core budget(s): **LOTTERY - OPERATING - OTHER FUNDS**

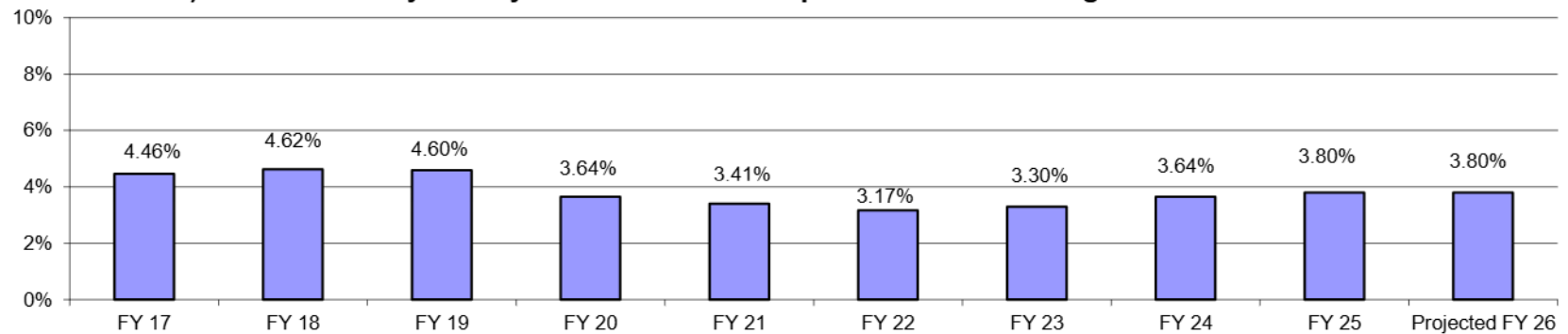
2.) FY 2024 Per Capita Lottery Sales of Contiguous States (Unaudited)



3.) State Tax Withholdings and Debt Offsets on Lottery Winnings - In FY 2025, the Lottery remitted \$4.1 million in state tax withholdings to Missouri Department of Revenue and \$1.3 million in debt offsets to various state agencies from Lottery prize winnings.

2d. Provide a measure(s) of the program's efficiency.

1.) Missouri Lottery History of Administrative Expenses as a Percentage of Sales**



**Administrative expenses include ticket costs and related vendor fees, wages and benefits, depreciation, advertising and other general and administrative costs.

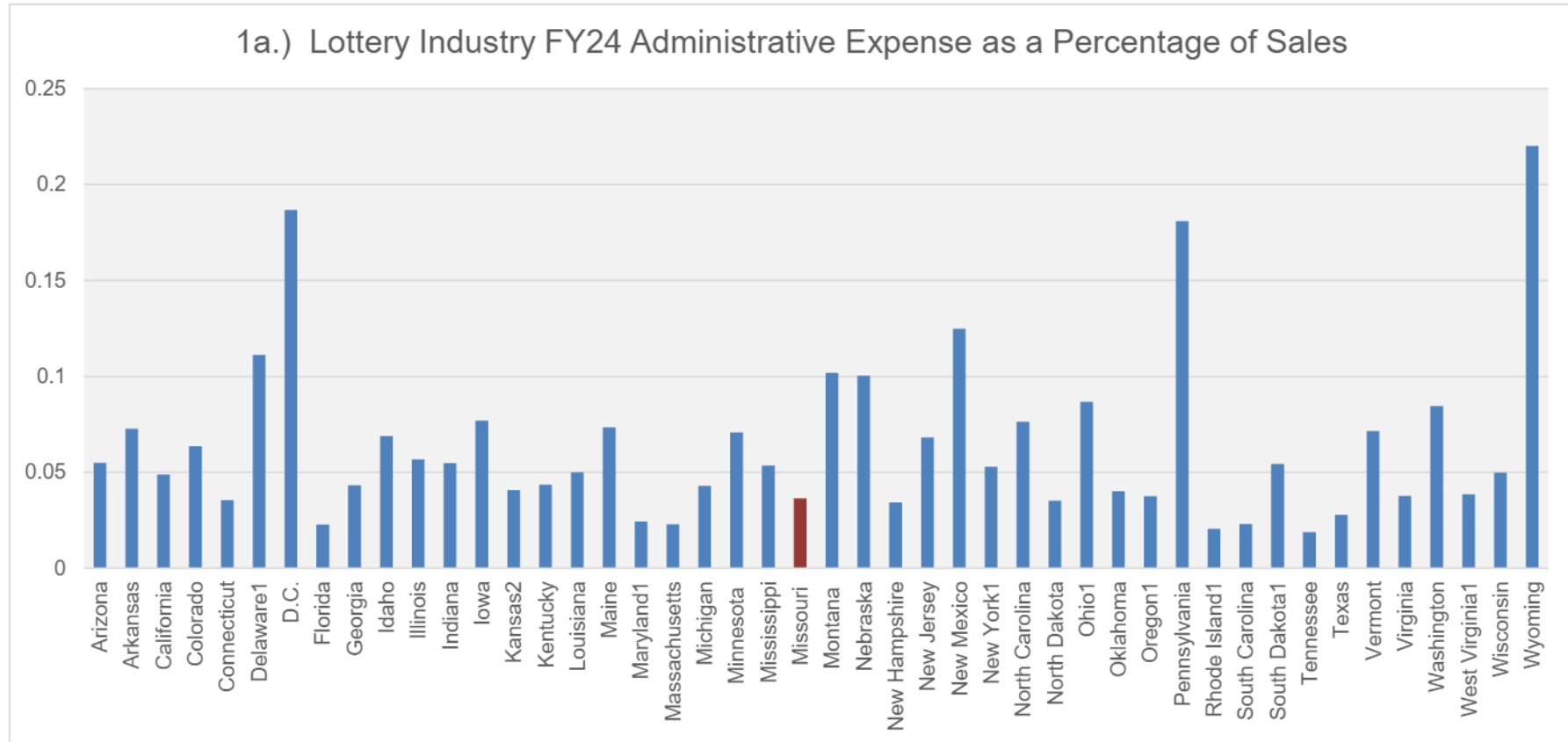
PROGRAM DESCRIPTION

Department **REVENUE**

HB Section(s): **4.180-4.195**

Program Name **MISSOURI LOTTERY COMMISSION**

Program is found in the following core budget(s): **LOTTERY - OPERATING - OTHER FUNDS**



In FY 24, Missouri Lottery's administrative expenses were 3.64% of sales compared to the FY 24 U.S. Lottery industry average of 6.26%.

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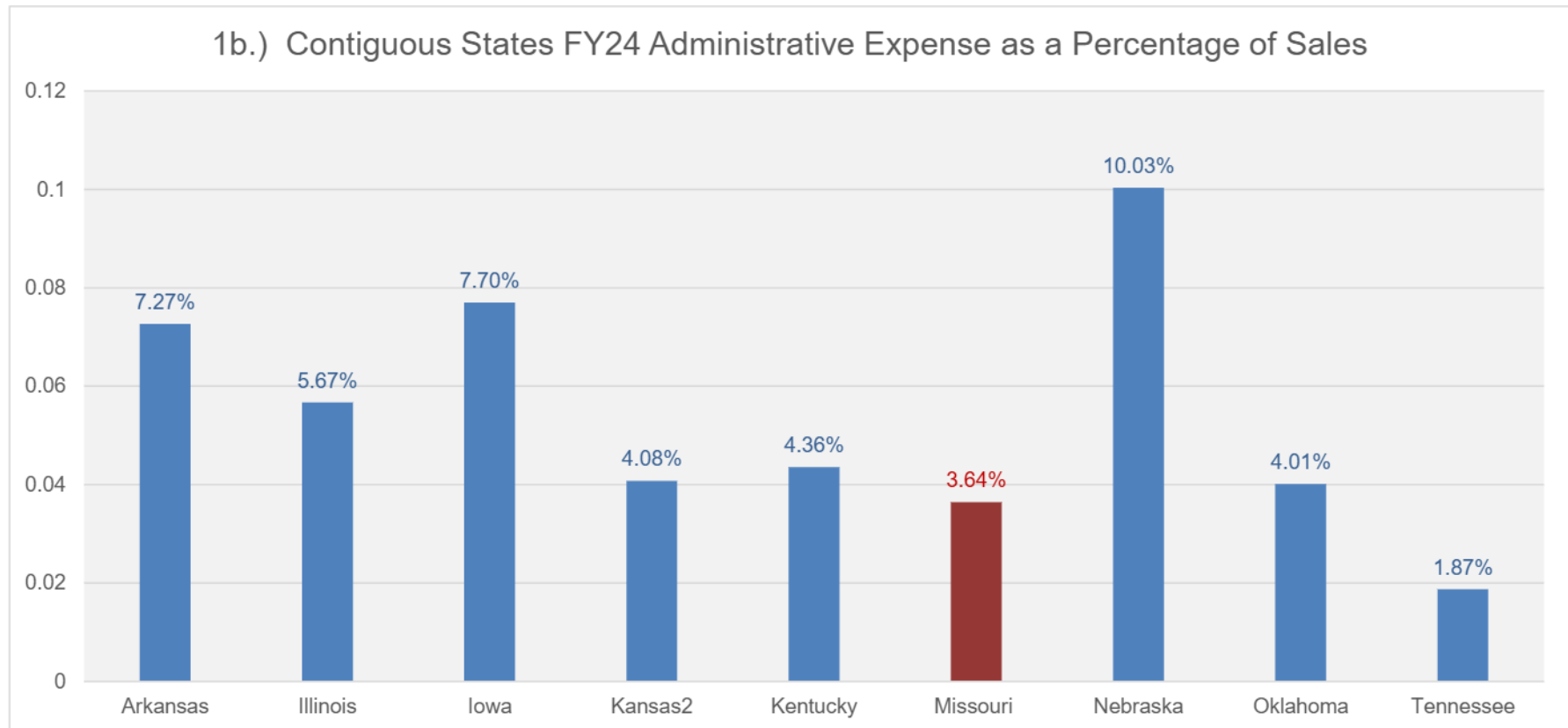
PROGRAM DESCRIPTION

Department **REVENUE**

HB Section(s): 4.180-4.195

Program Name **MISSOURI LOTTERY COMMISSION**

Program is found in the following core budget(s): **LOTTERY - OPERATING - OTHER FUNDS**



In FY 24, Missouri Lottery's administrative expenses were 3.64% of sales compared to the contiguous state lotteries' average of 5.40%.

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PROGRAM DESCRIPTION

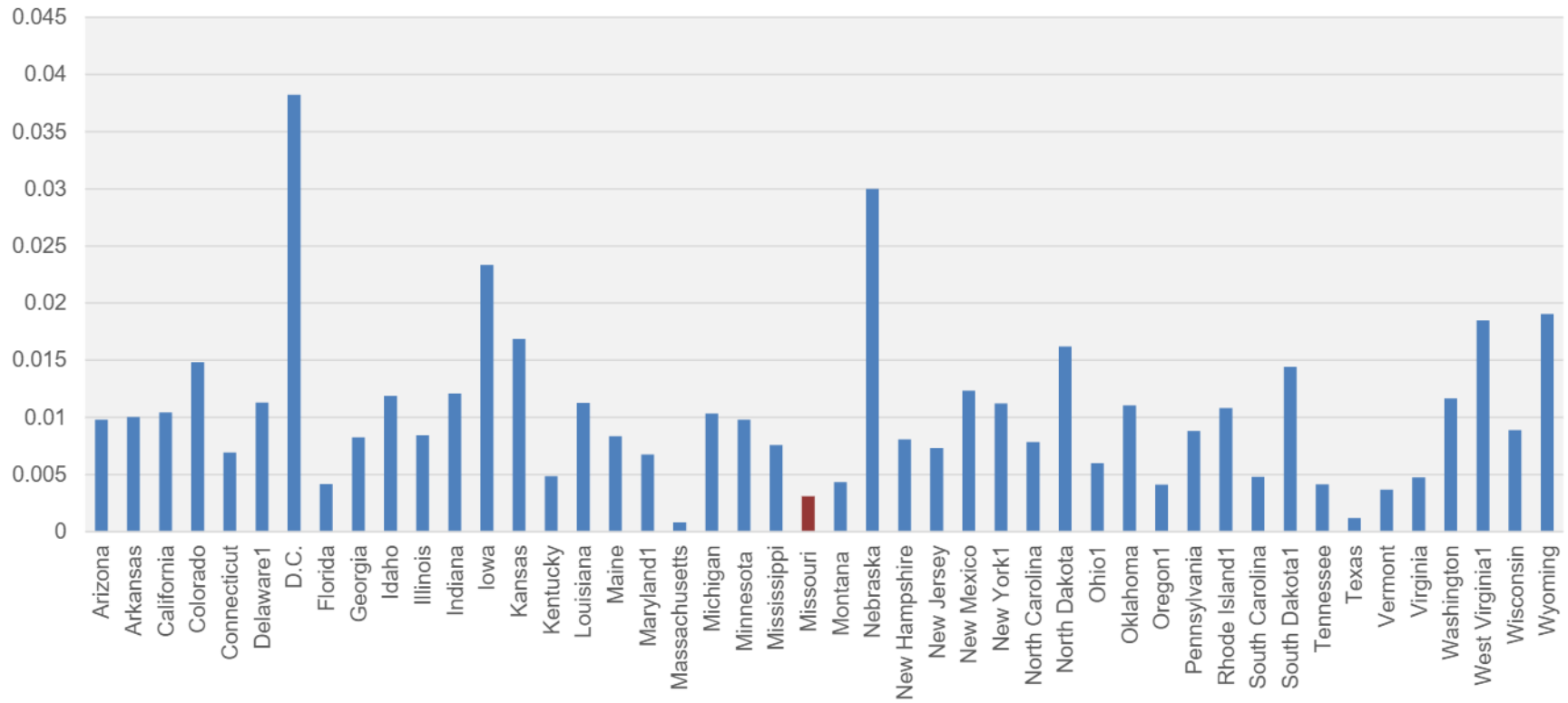
Department **REVENUE**

HB Section(s): 4.180-4.195

Program Name **MISSOURI LOTTERY COMMISSION**

Program is found in the following core budget(s): **LOTTERY - OPERATING - OTHER FUNDS**

2.) Lottery Industry FY24 Advertising Budget as a Percentage of Sales



In FY 24, Missouri Lottery's advertising budget was .31% of sales compared to the FY 24 U.S. Lottery industry average of 1.04%.

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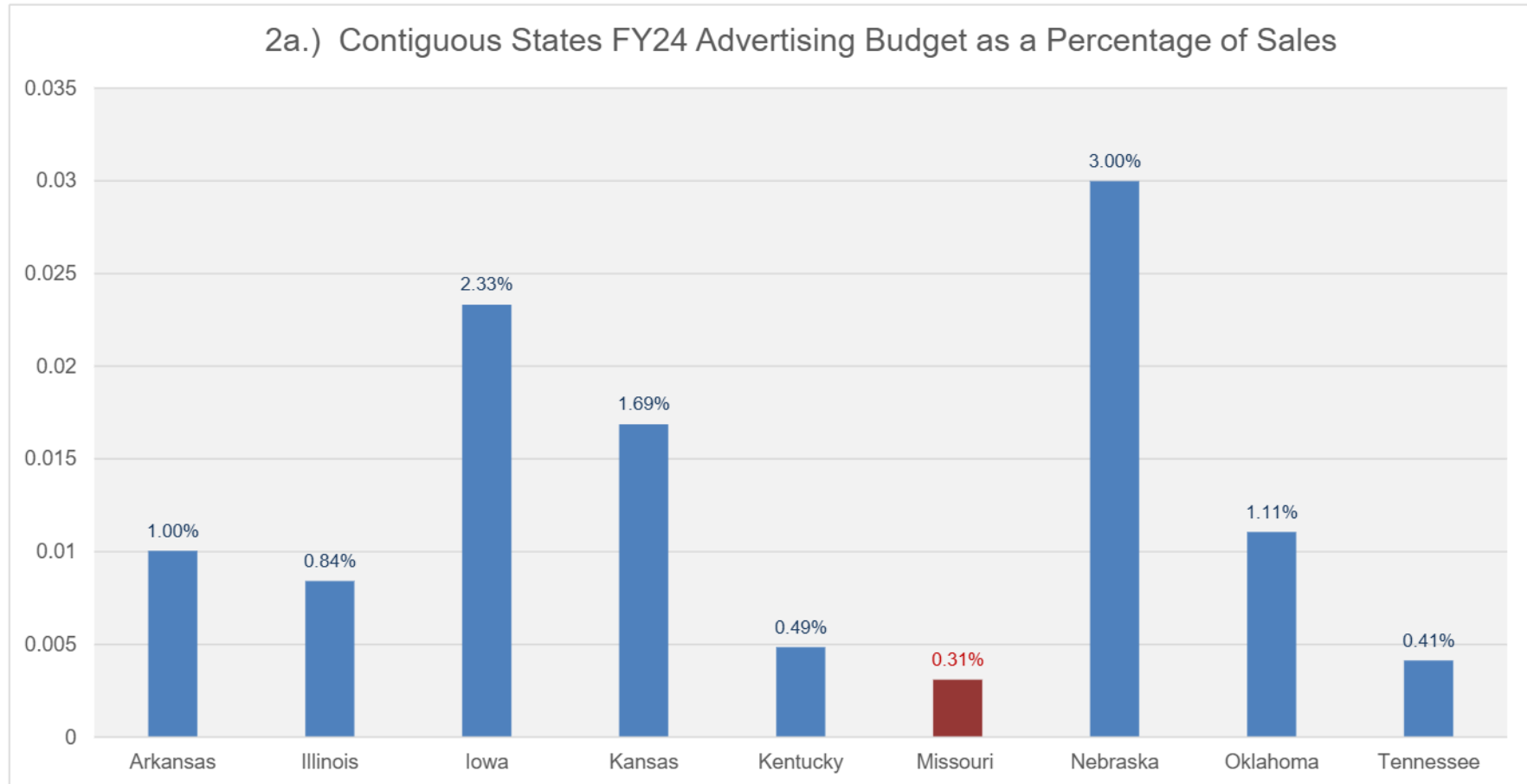
PROGRAM DESCRIPTION

Department **REVENUE**

HB Section(s): 4.180-4.195

Program Name **MISSOURI LOTTERY COMMISSION**

Program is found in the following core budget(s): **LOTTERY - OPERATING - OTHER FUNDS**



In FY 24 Missouri Lottery's advertising budget was .31% of sales compared to contiguous state lotteries' average of 1.24%.

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PROGRAM DESCRIPTION

Department **REVENUE**

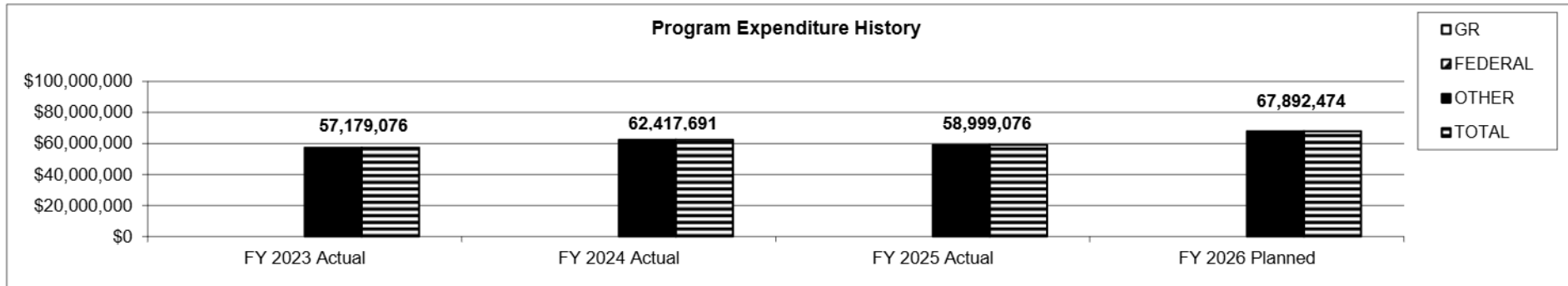
HB Section(s): 4.180-4.195

Program Name **MISSOURI LOTTERY COMMISSION**

Program is found in the following core budget(s): **LOTTERY - OPERATING - OTHER FUNDS**

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

(Note: Amounts do not include fringe benefit costs, capital improvements, leasing, state-owned building, or Attorney General PS, all of which are included in other agency budgets.)



Program Expenditures include Lottery operating budget expenditures only: PS, E&E, Advertising, Responsible Gaming Messaging and Vendor Payments.

4. What are the sources of the "Other " funds?

Proceeds from the sale of tickets.

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

State statutes: RSMo 313.200-313.351; Article III, Section 39(b) of the Missouri State Constitution.

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No